

Table with exchange rates and other financial data.

## Asia Is Getting on Board For Seattle Summit as ASEAN Members Meet

By Michael Richardson  
*International Herald Tribune*

SINGAPORE — East Asian nations including China, Indonesia and Japan have dropped their resistance to the Asia-Pacific summit meeting proposed by President Bill Clinton, and almost all are now likely to attend, Asian officials said Sunday.

The United States, seeking to reassert its influence in the region, hopes that the meeting will provide political impetus for moves to lower barriers to trans-Pacific trade and investment, and promote closer economic integration. Mr. Clinton has proposed that the meeting take place in Seattle in November.

In talks with 11 other Asia-Pacific countries in Singapore starting Monday, Kabun Mito, the Japanese foreign minister, is expected to signal his country's intention to attend the meeting following clear indications over the weekend of support for the meeting from China, Indonesia and most other regional nations.

A senior U.S. official said Sunday that in talks in Singapore with Secretary of State Warren M. Christopher, China had indicated a positive response to Mr. Clinton's proposal for an informal meeting of Asia-Pacific leaders.

The official said that Qian Qichen, the Chinese foreign minister, had not made any linkage in the talks with Mr. Christopher between China's attendance at the summit meeting and an end to U.S. criticism of Beijing over alleged arms proliferation and other issues.

The talks will take place under the auspices of the Asia-Pacific Economic Cooperation forum, which links China, Taiwan and Hong Kong with the 12 countries meeting this week.

Mr. Qian said Saturday that Taiwan and Hong Kong, which Beijing insists are part of China, are members of Asia-Pacific Economic

Cooperation forum as regional economies, not as sovereign states.

"Therefore, if the meeting of APEC leaders is to be held, Taiwan and Hong Kong shall not take part in such a meeting," he added.

Nonetheless, U.S. diplomats said they were confident that a formula could be devised that would allow China to attend the Seattle meeting at head-of-government level while Taiwan and Hong Kong would send lower-level economic representatives.

Malaysia appears to be the only Asia-Pacific Economic Cooperation forum member that objects to Mr. Clinton's proposal. Mahathir bin Mohamad, the Malaysian prime minister, said recently that he would not go to Seattle.

An ASEAN official said Sunday that it now seemed likely that all 15 forum members would attend the meeting, including Malaysia.

Officials said Mr. Mahathir was concerned that if the Asia-Pacific Economic Cooperation forum, which was formed in 1989, became the preeminent forum for economic consultation in the Asia-Pacific region, it would undermine the position of ASEAN and allow the United States and other Western members of Asia-Pacific forum to assume a dominant position.

Malaysia has been promoting a plan for East Asian nations to form their own caucus to protect regional economic interests and promote free trade.

However, in a compromise decision on Saturday, ASEAN foreign ministers agreed to make the East Asian grouping a caucus within the Asia-Pacific forum, rather than let it stand alone.

U.S. warns China over missile sales. Page 3.  
Chinese wonder about Deng's health. Page 2.

## The Betting Is Still Open, With the Franc on the Line

By Carl Gewirtz  
*International Herald Tribune*

PARIS — Think of it as a game of poker. The enormous betting has created a pot big enough to die for and now it's time, in the classic phrase, to put up or shut up.

This is the position France and Germany find themselves in in the showdown with the foreign exchange market over the sustainability of the European Monetary System.

The Franco-German alliance has staked its political prestige with repeated joint declarations that the franc-mark parity will not be changed. It has backed this with interest rate movements — eroding increases in France and declines in Germany — that begin to lack credibility because they contradict what common sense says is needed. And despite massive intervention, the betting continues. The players in the foreign exchange market refuse to walk away from the table.

France and Germany haven't much left to put up to stay in the game. Further rate hikes in France could inflict severe damage to an economy already in recession and where a social explosion is waiting to happen with youth unemployment already over 20 percent.

In Germany, a rate cut big enough to daunt the speculators risks undermining the anti-inflation credibility of the Bundesbank that has made the Deutsche mark the world's second most important reserve currency after the dollar.

The bitterness of the Germans and French is intense because a massive reduction in German

interest rates that would definitively put an end to the speculation is almost in sight. Within three months or at the most within six, the recession in Germany will have eaten sufficiently into inflation and money supply growth to permit a dramatic shift in Bundesbank policy.

But they have to do something this week to meet the market's call to put up or shut up. The market is looking for a one-point cut in official German rates when most experts believe the Bundesbank would be hard put to justify a reduction of even half a percentage point at

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AN EGG BARRAGE — Mikhail S. Gorbachev, the former Soviet leader, looking somewhat baffled Sunday as bodyguards wiped eggs from his head in Bayreuth, Germany, where he arrived for the opening of the Wagner music festival. A man seized later said he had targeted the Bavarian state premier, Edmund Stoiber. Thousands at the festival cheered Mr. Gorbachev and his wife.

## Russia's Recall of Rubles Stirs Panic

By Steven Erlanger  
*New York Times Service*

MOSCOW — Senior officials of the Russian Finance Ministry lodged a strong protest Sunday with President Boris N. Yeltsin over a decision by the Central Bank to declare all pre-1993 ruble banknotes invalid as of Monday, a senior economic adviser to the government said.

The decision on the ruble, which has thrown Russians into panic as they scurried to unload banknotes, "was taken without consultation with the Ministry of Finance, which was only notified at the last moment," said the adviser, Jeffrey D. Sachs, a Harvard professor of economics.

"The Ministry of Finance has lodged its protest and regards this as a completely inappropriate policy, and it is in ongoing discussions with the government, the president and the Central Bank about these actions," Mr. Sachs said in an interview.

Foreigners may change only 15,000 rubles — less than \$15 — and may do so only on Monday, and will be unable to deposit rubles beyond this amount.

The Russian prime minister, Viktor S. Chernomyrdin, issued a statement Saturday expressing government support for the Central Bank's decision.

The Finance Ministry's protest tends to confirm an ongoing split in the government over the nature and details of monetary and fiscal policy and underlines the fragility of Western-style economic reform in Russia.

Other officials and Western diplomats said it was believed that Mr. Yeltsin, who returned to Moscow Sunday morning, interrupting his vacation, made no immediate decisions at the meeting.

Mr. Yeltsin's spokesman had said the president was returning to deal with the threat to Russia's reforms posed by the Supreme Soviet, or parliament, which before recessing last

See RUBLE, Page 10

## In Bosnia, Clinton's Just Another Villain

By John F. Burns  
*New York Times Service*

SARAJEVO, Bosnia-Herzegovina — As the besieging Serbian forces draw the noose ever tighter around this shattered city, there is less and less talk of the man once regarded as a potential savior.

When he was inaugurated six months ago — and more so after he warned of possible U.S. military action against the Serbian forces in April — Bill Clinton's name was invoked all over town.

"Clinton dekho!" — Clinton is good — became a common greeting extended to Americans, and was usually followed by a disparagement of European leaders, who were seen as finding every excuse not to come to Bosnia's aid.

Now, if Mr. Clinton is mentioned at all, it is

usually only to place him in the villains' gallery alongside the leaders of Britain and France.

In the last few days, most Sarajevoans were without electrical power, running water or gas, as they have been continuously for a month. Alongside the deprivations, it meant that most

had no radio or television. They were thus at least spared reports on the latest Bosnian forays by Mr. Clinton and Secretary of State Warren M. Christopher.

"When it became obvious that I could not prevail upon the great nations because of the opposition of some of the European nations, that's when things began to deteriorate," Mr. Clinton said on the CNN program "Larry King Live."

Mr. Christopher, at a State Department news

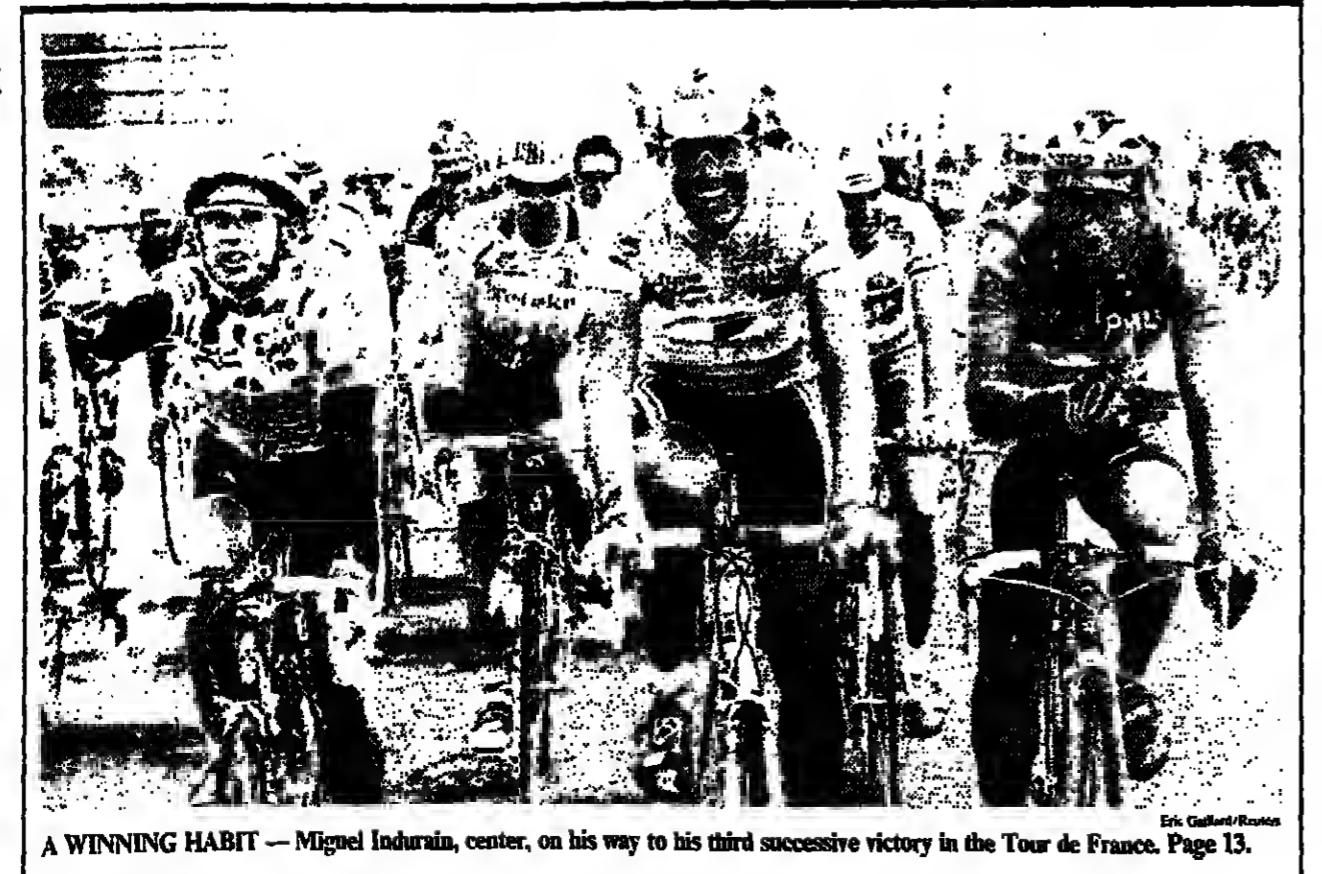
conference, lamented the situation but added: "The United States is doing all that it can, consistent with our national interest."

Among Bosnians who heard of the statements, there was a passionate debate of the kind that has become common among people here who have finally abandoned hope that their misery will be ended by outside intervention.

For most, the question was whether Mr. Clinton and Mr. Christopher should be faulted for weakness in not using the sort of influence that President George Bush deployed against Iraq, or for their cynicism in offering so little leadership that Europe's leaders gave Mr. Clinton the excuse he wanted to stay out of the Bosnian nightmare.

From the beginning of the Serbian onslaught

See CLINTON, Page 5



A WINNING HABIT — Mignel Indurain, center, on his way to his third successive victory in the Tour de France. Page 13.

## Kiosk

### 9 Slain in White Cape Town Church

CAPE TOWN (AP) — Black gunmen burst in to a white Anglican church in suburban Kenilworth on Sunday, firing automatic rifles and tossing hand grenades at the congregation. Nine whites were killed and more than 20 were wounded, the police said.

Five blacks were reported to have carried out the attack at St. James's Church. The police retracted a report that indicated two white and three blacks were responsible.

Among the dead were three Russian sailors, part of a group of more than 100 Russian seamen visiting the port.

There was no immediate claim of responsibility for the attack.

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Bridge

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## Cuba, Taking a Risk, Lifts Dollar Ban

By Douglas Farah  
*Washington Post Service*

HAVANA — Faced by a sharp economic decline and a punishing U.S. trade embargo, Cuba is embarking on its riskiest economic change since the 1959 revolution, including making it legal for citizens to possess and use U.S. dollars.

The opening to dollars — despite three decades of hostility toward the "enemy to the north" — was outlined by senior officials in interviews and briefings for reporters and potential foreign investors.

Officials describe the revisions as carrying a heavy social cost and acknowledge they could lead to other changes difficult to predict or control.

Carlos Lage, vice president of the Council of State and Cuba's leading economic planner, said: "Socialism is related to the state ownership of the means of production and economic planning. We will not abandon that idea."

He said the leadership agreed to the economic measures to adapt to new circumstances in Cuba and the world.

"What at one time was not admissible," he said, "or what we thought was not admissible, can become admissible as our economic opening goes forward. The gravity of the situation can force us to take measures that at one time we could not conceive of."

In a speech Friday, President Fidel Castro declared: "We have serious problems and we have to solve them to survive. There are two different

sets of things: the things we have to do to perfect socialism and the things we have to do for the revolution to survive."

One of the consequences is a severe curtailment in celebration of July 26, the date chosen by President Castro to represent the revolution. Instead of addressing hundreds of thousands on Monday, he will speak to an audience limited to 2,000 to save the strain on a transport system virtually destroyed by fuel shortages.

Mr. Lage said measures in addition to the dollar legalization were under study, including legalization of privately owned business and services such as plumbing, carpentry and small retail outlets.

He added that there was a chance for a return

See CUBA, Page 9

## Temper Tantrums of a Gulf War Hero

By Barton Gellman  
*Washington Post Service*

WASHINGTON — In a new history of the Gulf War that redraws the public portrait of its field commander, General H. Norman Schwarzkopf is described by key subordinates as a man of profane and dysfunctional rages who turned his headquarters into "a dispirited bunker" and had little to do with the crucial air campaign against Iraq.

The author, Rick Atkinson of The Washington Post, says that the former defense secretary Dick Cheney was offended enough by General Schwarzkopf's "imperial trappings" and fits of fury that he considered dismissing him.

Instead, the author writes, he dispatched a three-star general as General Schwarzkopf's deputy to act as a buffer and "sweep up the CINC's broken crockery." CINC is a military abbreviation for commander in chief.

The book describes numerous vivid scenes in which the new deputy, Lieutenant General Calvin A.H. Waller, tried to calm General Schwarzkopf with cony jokes and shield the crowded and humiliated staff. But even with those intercessions, the author writes, General Schwarzkopf threatened to dismiss or

court-martial in succession his senior army commander, his navy commander, air force commander, chief air targeter and the commanders of both army corps in the desert.

In "Crusade: The Untold Story of the Persian Gulf War," Mr. Atkinson discloses scores of details about the planning and conduct of the war fought in January and February 1991 and the diplomatic struggles that led up to it.

Mr. Atkinson, who won a Pulitzer Prize at The Kansas City Times for a 1982 series of

See NORMAN, Page 3



DAVE BARRY

The First 187 Days

MIAMI — The time has come for unbiased observers such as myself to make a fair and objective assessment of the first roughly 187 days of the failed Clinton administration.

It would say it did pretty well until the Inauguration. There had been great excitement as "The Man From Hope Via Oxford And Of Course Yale Law School" came to Washington, bringing with him a new vision for America and numerous 18-point programs and a cat. He also brought a close-knit, battle-hardened staff of smart, tough, fiercely dedicated, loyal, savvy, gung-ho junior high school students, who immediately set about the task of transforming the federal government from a bloated money-hemorrhaging bureaucracy into a bloated money-hemorrhaging bureaucracy in which they had reserved parking spaces. They worked long hours, burning the midnight oil night after night, seven days a week, week after week, until finally, possibly as a result of inhaling oil fumes, they began displaying the shrewd political savvy of floor wax.

In the Deep South, Everyday Heroism

By Ken Ringle

OSCAR, Louisiana — The roads snake away under the shade trees, through pecan orchard pasture lands and tiny hamlets with names like Parlange, Farouche and Livonia, and then suddenly the lake is there, arcing off to the east in the late afternoon sun, glittering with mystery and promise.



Novelist Ernest Gaines: "It occurred to me one day that the only black people I knew as a child were heroes."

Centuries ago it was part of the Mississippi River, twisting its way through the Middle Delta floodlands north of what is now Baton Rouge. But then the river, playing the same kind of pushy games now under way in Iowa and Illinois, charged off and left it behind, sealed away by swamp and forest and the cane and cotton fields of Pointe Coupee Parish.

farmed by sharecroppers but everything would still be done by hand, especially by the black sharecroppers. And later the tractors would come in and move the mule out of them. And later still the more sophisticated machinery, the mechanical cotton pickers and corn pullers, would move the tractors out. But my period is about those 30 years before the machines pushed people into towns and up north and into military service. And that's enough to write about. I don't need any more.

made him go cut his own switch whenever he failed to live up to the best she saw in him. "Of course, we could have just run away from her beating. She couldn't have caught us," he says. "But that would have been unthinkable. That may have been my clearest early sense of right and wrong."

PEOPLE

More Beatles Material Set for Auction Block

The auction beat goes on and on: The manuscripts of the lyrics for Beatles hits "I Am the Walrus" and "Foot on the Hill" are to be auctioned next week at a rock and roll memorabilia sale. Sotheby's said. The auction will also feature an archive of 5,000 never-published photographs of the Beatles, taken for Life magazine by the photographer Terry O'Neir in the early 1960s, including scenes of them playing with model trains in their dressing room, and escaping fans.

Antonio de Almeida has been named music director and conductor of the Moscow Symphony Orchestra, created in 1989. De Almeida has been a frequent guest conductor at the Berlin Philharmonic and the Chicago Symphony, among others.

Sharpening the knives: Claire Bickley, television columnist for the Toronto Sun, wrote that Susan O'Brien, who replaced David Letterman this September as host of NBC's late night talk show, "dresses as if he's raided the young Elvis' closet" and "says you know about as often as he takes a breath."

Claude Montana, the French fashion designer, and Wally Franke, a former model, were married in Paris after first becoming engaged 18 years ago. The bride was dressed in a white tulle gown, designed by Montana. He wore jeans and cowboy boots.

E. L. Doctorow and two colleagues are deep into plans for a 24-hour cable network called Booknet. "Writers and poets will be seen reading from their works, storytellers will tell their stories, reviewers will deliver their opinions, editors, critics and bookshelves will debate and discuss," he said. "A news desk with anchors will bring news of the publishing world." Also on the agenda are adult literacy classes, famous parents reading to their children, and late-night scrollings of book texts for insomniacs.

INTERNATIONAL CLASSIFIED Appears on Pages 4 & 7

WEATHER

THIS WEEKEND AT THE BEACH

Weather forecast section including maps of Europe, North America, and Asia, and a detailed table of weekend beach forecasts for various locations worldwide.

If you're going to travel all over the map, here's how to call from almost any point on it.

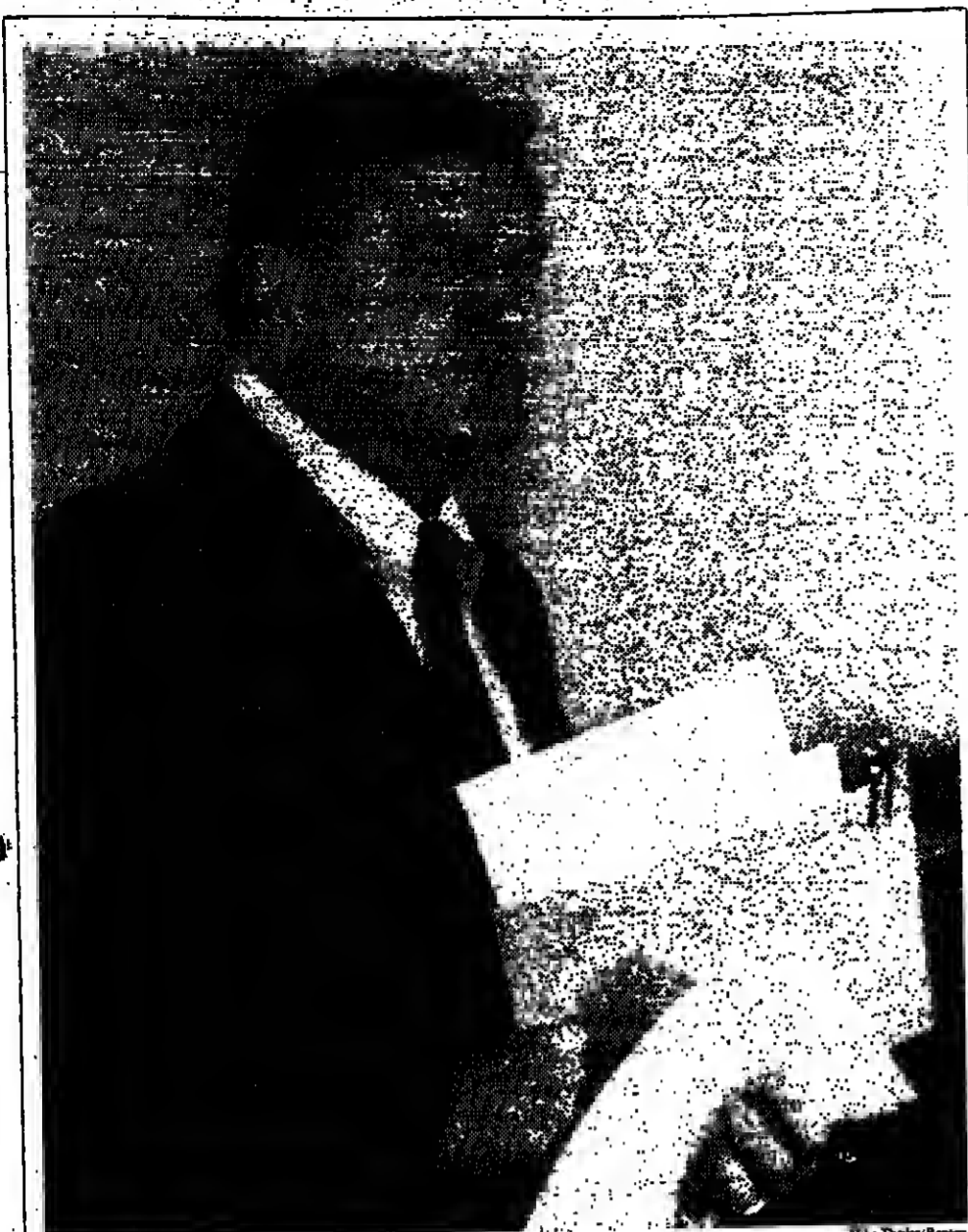


Table titled 'AT&T Access Numbers' listing international phone numbers for various countries and regions.

AT&T puts the world at your fingertips. Just dial the AT&T access number of the country you're calling from for quick, clear connections back to the U.S. and lots of other countries. International calling made simple is all part of The i Plan from AT&T.



# STATESIDE / BLEAK FORECAST



Mr. Rostenkowski arriving at a Washington press conference to parry accusations against him.

## A Congressman Denies Guilt

### Embezzlement Charge Is False, Rostenkowski Insists

By Martin Tolchin

**WASHINGTON** — A defiant Representative Dan Rostenkowski, responding to a former House official's accusations that he embezzled \$21,300 from the post office of the House of Representatives, has denied doing anything illegal or unethical.

"I want to make it absolutely clear that I have committed no crime and have engaged in no illegal or unethical conduct," the Illinois Democrat said in his first statement since the accusations of the former postmaster of the House were made public July 19.

At a Capitol Hill press conference on Saturday, Mr. Rostenkowski appeared uncomfortable and short of breath as he read a statement that strongly denied wrongdoing. But he failed to address any specific accusations and declined to answer questions.

In a move suggesting that he was gearing up for a big legal battle, Mr. Rostenkowski, chairman of the Ways and Means Committee, also introduced his new legal defense team of Robert Bennett and Carl Rauh. The two have represented prominent clients in major criminal investigations, including Caspar W. Weinberger in the Iran-contra investigation and Clark M. Clifford in the investigation of the Bank of Credit and Commerce International.

When the post office scandal erupted last year, Mr. Rostenkowski was identified as a congressional leader who had wrongfully availed himself of illicit favors offered by the House postmaster. Although no official charges have been brought

against him, Mr. Rostenkowski has repeatedly protested his innocence.

But after the former postmaster, Robert V. Rota, specifically accused two congressmen of embezzling post office funds, Mr. Rostenkowski declined for days to comment.

Although Mr. Rota did not identify either lawmaker, referring instead to Congressmen A and B, public documents identified Congressman A as Mr. Rostenkowski and Congressman B as former Representative Joseph P. Kolter, Democrat of Pennsylvania.

Mr. Rota has pleaded guilty to one count of conspiracy and two counts of embezzlement. He faces a maximum prison sentence of three years and fines as high as \$900,000.

The plea by Mr. Rota, who has agreed to testify against Mr. Rostenkowski, came as House and Senate negotiators sought to iron out their differences on President Bill Clinton's economic program. As the ways and means chairman, Mr. Rostenkowski is a central figure in those talks, and Mr. Clinton will also need him badly in months to come as Congress considers health care, welfare, trade and other issues. If indicted, Mr. Rostenkowski would be forced to step aside as chairman.

Mr. Rostenkowski said Saturday that, "because of the many unfair, false and baseless allegations that have been made recently about me, I felt it was the appropriate time to make a brief public statement."

"I am presumed to be innocent," he told reporters. "I have been charged with nothing, but most importantly I am, in fact, innocent of any wrongdoing."

## Midwest Faces a 'Calamity' as More Levees Burst

Compiled by Our Staff From Despatches

**ST. LOUIS, Missouri** — The swollen Mississippi River broke through a major levee Sunday, flooding thousands more acres of farmland, and volunteers worked feverishly to try to contain the devastating floods that have killed 41 people in six weeks.

"We have more than a disaster, we have a calamity," Agriculture Secretary Mike Espy said after touring the region. He said that damage was so extensive that the Clinton administration would ask Congress for \$5 billion in aid — double the previous request — but that still would not be enough, he said.

Floodwaters from the Mississippi broke through a northern section of the 54-mile (87-kilometer) Sny Island levee, flooding 44,000 acres (18,000 hectares) of farmland. The levee begins about 12 miles south of Quincy, Illinois.

Four workers near the break climbed trees to avoid being swept away and were rescued by a National Guard helicopter, said Ed Adcox, a spokesman for the U.S. Army Corps of Engineers.

Levee breaks were also reported in Randolph County, Illinois, and in Perryville, Missouri.

Near Perryville, south of St. Louis, a Corps of Engineers employee was driving along the levee when it collapsed, but he scrambled to safety.

The employee, Harold Smith, was looking for weak points in the levee. His truck apparently fell more than 15 feet (4.5 meters) into the breach as the river roared through, said Jack Niemi, a Corps official in St. Louis.

"He went down to the bottom with the truck," he said. But

he was able to climb out a window and reach dry land. Mr. Smith was not seriously injured.

In St. Joseph, Missouri, rising water knocked out tap-water service early Sunday for nearly 80,000 residents.

City officials and the National Guard brought in water from other Missouri towns and opened distribution centers. Crews spent all of Saturday sandbagging the riverside Missouri-American Water Co. plant, but when the Missouri River crested at 33 feet — flood stage is 17 feet — water came over the plant's levee, said a company spokeswoman, Christie Sinn.

Service could be restored Monday, unless there was too much damage to equipment, she said.

Other cities, including Des Moines, Iowa; Alton, Illinois; and Kansas City, Missouri, have no or limited water service as a result of flooding.

Thunderstorms rumbled through Illinois on Sunday, flooding low-lying areas and knocking out power to thousands of people. But drier air pushed into the region, and no new rain was expected in Iowa, Kansas, Nebraska and northern Missouri until late Monday or early Tuesday, the National Weather Service said.

Mr. Espy, meeting with farmers in Olive Branch, Illinois, said the administration would do everything it can to assist them and will ask Congress to double federal aid in the Midwest to \$5 billion.

The death toll in the six-week floods rose to 41 with the deaths on Saturday of an Illinois woman and a Kansas man. In Missouri, foul play is suspected in a spectacular levee break at West Quincy that closed the last open bridge over

the Mississippi River for a length of 200 miles. The Washington Post reported. Authorities said that they had several suspects in mind and that an arrest was expected.

The break, which occurred July 16, was originally regarded as a result of river action. (Reuters, AP, WP)

### Economic Losses Rising Fast

Sylvia Nasar of *The New York Times* wrote from New York: The floods will have a much greater effect on the nation's economy than seemed likely just a short time ago.

As they survey farmers, business and state officials, analysts at the four Federal Reserve banks in the Midwest have been raising their damage estimates, in some cases doubling and tripling the numbers.

"Two weeks ago, I said you weren't going to see discernible impacts," said Edward Lotterman, an economist at the Federal Reserve Bank of Minneapolis, adding:

"That was before Iowa, Missouri and Illinois. Now I think we're getting into the Hurricane Andrew range in terms of losses."

The dollar figure that economists are putting on crop losses, property damage and lost production and sales — for now at least — is \$10 billion to \$12 billion, roughly two-thirds of the losses from the hurricane that struck southern Florida and Louisiana last year.

As the figures climb, they include losses not only from areas underwater but also adjacent areas whose people and businesses are suffering.

## 3 Freed In Killings Of 7 Boys In Brazil

Compiled by Our Staff From Despatches

**RIO DE JANEIRO** — Brazilian authorities released three military police agents after questioning them in the shooting deaths of seven street children, but police sources said that investigators were continuing to pursue police links to the killings.

President Itamar Franco, who said he was horrified by news of the massacre, flew here with Justice Minister Mariquito Correa to follow the case. Mr. Correa said Sunday that Mr. Franco would meet with members of his cabinet in discussion of the nation's homelessness children.

The youths were shot and killed Friday as they slept on blankets and pieces of cardboard near a cathedral in Rio. They were among Brazil's estimated 7 million homeless children.

Police sources said the authorities were continuing the investigation on the assumption that military police were the killers.

The three military police agents — who were identified as having threatened children in the area of the shootings hours beforehand — were interrogated by federal officials. But they were released because of lack of evidence, officials said.

At the Rio morgue on Saturday, family members identified three of the victims. Scores of children who normally sleep on the deserted streets of Rio's financial district flocked to improvised shelters.

"We took off," said a boy who roamed the Largo do Machado square in the middle-class district of Flamengo. "Everyone's afraid of another murder."

Violence against street children is not new in Brazil. About 320 abandoned minors have been killed this year, in what some say is a sign of Brazil's crumbling social fabric, strained by a severe economic crisis. (UPI, AP, AP)

## U.S. Warns China on Pakistan Missiles

International Herald Tribune

**SINGAPORE** — The United States warned China on Sunday that it might face sanctions if it had violated an anti-proliferation agreement by shipping missiles or missile components to Pakistan.

Secretary of State Warren M. Christopher "laid out the seriousness of the issue and the possible policy implications" in his first meeting with Qian Qichen, the Chinese foreign minister, a senior U.S. official said.

Apparently in reference to recent intelligence reports, the official said that "there is disturbing evidence of shipments and that is why we need an explanation."

U.S. intelligence sources have asserted they have strong evidence that China has shipped parts for the M-11 missiles to Pakistan.

The missiles, which have a range of about 300 miles (500 kilometers), are capable of carrying nuclear as well as conventional warheads.

Analysts said that the reports of missile shipments to Pakistan have caused alarm in India, which fears they might be used in any conflict between the two neighbors.

Pakistan and India have fought three wars since they gained independence from Britain in 1947 and are contesting control of Kashmir.

Both countries are believed to possess nuclear weapons, and U.S. officials are worried that any future conflict between them might escalate into a nuclear war.

The senior American official, who requested anonymity, said that the United States did not know whether the Chinese shipments to Pakistan were missiles or components.

But he said that either would be a violation of the Missile Technology Control Regime. China has not signed this international agreement, but it has pledged to observe its guidelines.

China's consistent response to the U.S. allegations has been to deny them.

Briefing reporters Sunday on the talks between Mr. Qian and Mr. Christopher, a Chinese spokesman made no reference at all to the missile dispute, although the U.S. official said that exchanges on the issue had taken up "a good portion" of the 75-minute meeting.

Asked Saturday how he would respond to Mr. Christopher's concerns about the missile issue, Mr. Qian said that he hoped the meeting would improve U.S.-China relations.

"However," he added, "one cannot base such a meeting on charges that are entirely without foundation or on questions that are simply fabricated."

The U.S. official said that he expected there would be more detailed discussion of concerns about the M-11 missiles in talks that Lynn Davis, U.S. undersecretary of state, will have in Beijing on Monday and Tuesday.

The Clinton administration recently renewed for another 12 months China's most-favored-nation trading status, which allows its booming exports into the giant U.S. market at the lowest prevailing tariff rates.

But a further extension in 1994 was made conditional on China's progress on the weapons issue and on improving human-rights and trade practices.

The U.S. official said Mr. Christopher told Mr. Qian that Washington wanted to broaden relations with China. But Mr. Christopher

also emphasized the need for China to "make steady progress throughout the year on the core issues: human rights, nonproliferation, trade," the official added.

Despite the differences between the United States and China, both seem prepared to cooperate with other Asia-Pacific nations in developing a new forum for dealing with regional security problems.

Mr. Christopher and Mr. Qian joined foreign ministers from 15 other Asia-Pacific countries and the European Community in discussions on political and security issues over dinner in Singapore on Sunday.

The 15 countries included Japan, South Korea, Canada, Australia, New Zealand, Russia, Vietnam, Laos, Papua-New Guinea and members of the Association of Southeast Asian Nations — Indonesia, Malaysia, the Philippines, Singapore, Thailand and Brunei.

It was the first such gathering, and officials said it would pave the way for regular annual meetings that would deal with problems and sources of regional instability in greater depth.

Wong Kan Seng, foreign minister of Singapore, who hosted the dinner, said the aim was to "help build mutual confidence and preserve stability and growth in the Asia-Pacific by evolving a predictable and constructive pattern of relationships in the region."

He said that the foreign ministers at the dinner welcomed the new security dialogue, to be called the ASEAN Regional Forum, and regarded it "as an important and constructive initiative."

—MICHAEL RICHARDSON

## POLITICAL NOTES

### Senate Duel Over Service Bill

**WASHINGTON** — Senate Republicans, who appear ready to filibuster just about anything Democrats throw at them, are threatening to delay or block passage of President Clinton's national-service bill in hopes of forcing Democrats to cut the scaled-back program even further.

Democrats are exploring possibilities for compromise but say they are not prepared to gut the program in order to avoid a showdown over ending a Republican filibuster.

Sponsored by Democrats, the bill would authorize \$394 million to begin a program under which participants would receive stipends for education in exchange for community service.

Judging from Senate votes last week on substitute proposals advanced by Senator Nancy Landon Kassebaum of Kansas, ranking Republican on the Labor Committee, Republicans may have the votes to continue a filibuster. Democrats succeeded in blocking her proposal, but with totals short of the 60 needed to cut off debate.

In what is becoming a kind of regular matings in the Senate floor, the Democratic Leader, George J. Mitchell of Maine, politely asked the Republican leader, Bob Dole of Kansas, whether "we will be permitted to get in a final vote or whether it will be necessary for us to file a cloture motion," to end debate.

Just as politely, Mr. Dole said he could not say when a vote would be permitted. (WP)

### Jobs and Presidential Promises

**WASHINGTON** — They say that politics runs in cycles, but these days the cycles seem to spin faster and faster.

Only last summer Bill Clinton mocked President George Bush, saying he had failed to meet his pledge to create 30 million jobs in four years. The lesson, some Democrats said, is that such a specific promise is always folly.

Then Mr. Clinton declared that he would create 8 million jobs by 1996. Now, the administration has gone a step further, listing the number of jobs that would be created in each state by the Clinton economic package that is likely to be passed by Congress.

The precision is supposed to help lawmakers explain support for the Clinton plan and to counter opposition from business groups. But it is bound to help the president's opponents hold him to account. (NYT)

### Quote / Unquote

Mary Mare, a Chicagoan who is one of Representative Dan Rostenkowski's constituents, on reports that he may have taken money illegally from the House Post Office: "He was from the neighborhood. He was O.K. all these years. He's been good. I don't think he would do something like that." (AP)

### Away From Politics

Space shuttle computers halted a countdown in Cape Canaveral, Florida, only 19 seconds before Discovery's launching when they sensed a problem with a booster rocket, the National Aeronautics and Space Administration said. The flight, with five astronauts and a communications satellite, was not immediately rescheduled.

Sheriff's deputies found 45 illegal immigrants from El Salvador who had been locked in a house in a Los Angeles suburb while their relatives were trying to come up with the money to pay smuggling fees.

A stunt plane hit a parachutist during an air show in Lebanon, New Hampshire, killing the skydiver and the pilot of the plane, which crashed. The show went on despite the accident.

U.S. involvement in the Vietnam War has been signed into legislation by Governor Mario M. Cuomo of New York as having started Dec. 22, 1961, which makes an array of state benefits available to as many as 25,000 more veterans. The day is one year earlier than that previously recognized by the state and more than two years earlier than that established by Congress in 1975.

An ordinance that would have made Los Angeles the largest city in the United States to ban smoking in restaurants was frozen indefinitely when a coalition

of restaurants backed by the tobacco industry filed 96,000 petition signatures against it.

A dozen bald eagle chicks taken from nests in Alaska arrived in San Jose, California, headed for a new home in a wilderness sanctuary on the central California coast. The birds are the latest of the 400 bald eagle chicks that have been relocated by the federal and state authorities and volunteer groups since 1981.

A fire swept a Philadelphia rowhouse Sunday, killing six of the eight children who had been left unsupervised inside. The police found an 11-year-old boy and his 8-year-old sister outside the two-story house. They were treated for minor smoke inhalation. Five brothers and sisters and a cousin were killed. The mother said she was walking a friend home when the fire started.

A man was arrested in Las Vegas, Nevada, after robbing a bank and handing out the money to stunned passersby. A witness said he had been eating lunch in the bank courtyard when a man walked up and handed him a \$100 bill. When asked where he had gotten the money, the man replied calmly: "I just robbed the bank. Have a nice day."

Reverser, AP, NYT, UPI

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# Q & A: Curbing North Korea's Nuclear Ambitions

As Secretary of State Warren M. Christopher and his counterparts from a dozen other Asian and Pacific rim nations gathered in Singapore for discussions starting Monday on regional security and other issues, Han Sung Joo, the foreign minister of South Korea, discussed North Korea's nuclear ambitions with Michael Richardson of the International Herald Tribune.

**Q.** In recent negotiations with the United States, North Korea agreed to talks on opening its suspected nuclear sites to outside inspection. Is that an adequate assurance for South Korea that Pyongyang will abandon any ambitions it may have to develop nuclear weapons?

**A.** The negotiations between the United States and North Korea were intended to provide the right climate, the incentive and the face-saving device for the North to comply with the safeguard requirements of the International Atomic Energy Agency.

If and when Pyongyang abides by the undertaking, it will do so not because it is bound by agreement with the United States but because it is obligated under the agreement to allow inspections of North Korean nuclear sites that it had earlier reached, and then repudiated, with the

IAEA. Pyongyang is also bound to observe the terms of a UN Security Council resolution dealing with the issue.

The IAEA agreement and the UN resolution are the means by which the inspections ought to be enforced.

**Q.** Are there still suspicions in South Korea that the North is playing for time while continuing with a covert nuclear program?

**A.** There certainly are suspicions. But we cannot base our policy either entirely on that assumption or by ruling out that possibility. So our policy is based on the assumption that North Korea might be persuaded, with proper incentives and justifications, to forgo its nuclear program.

One obvious incentive is the opportunity to establish relations with the United States, initially by sitting at the same table as a really high level. But ultimately, the North Koreans would want a guarantee or mechanism that would enable them to maintain their system and regime.

Having a relationship with the United States can be considered a de facto assurance, if not guarantee, that North Korea's system will not be threatened from the outside. However, there is nothing we can do to prevent implosion as a result of internal problems.

**Q.** Would checks of North Korean nuclear sites by inspectors from the IAEA

and South Korea provide a foolproof guarantee that Pyongyang had abandoned a nuclear weapons program?

**A.** It is impossible to have a 100 percent guarantee against their shuffling away several kilograms of plutonium. Nor can we be certain, if they have already manufactured a bomb, that they have not hidden it.

But I think that the inspections we are seeking will provide effective protection against further production of fissile material and against the construction and operation of facilities for making this material in the future.

**Q.** Do your estimates of North Korea's program suggest that Pyongyang is on the threshold of having a nuclear bomb?

**A.** Certainly they seem to be fairly close.

**Q.** What should the United Nations do if North Korea fails to allow outside inspections of its nuclear facilities?

**A.** Under the terms of the UN Security Council resolution, the IAEA director-general is required to report back to the council on either compliance or non-compliance. I expect that will occur some time in September.

Should Pyongyang simply be playing for time to develop nuclear weapons, there will be corresponding pressures and measures, mainly in the form of UN Security Council action.

**Q.** You mean some form of sanctions? **A.** That's quite possible.

**Q.** You have just had discussions with Qian Qichen, the Chinese foreign minister. Is China worried about the potentially destabilizing effects?

**A.** China is very, very concerned, and I think it has played an important and constructive role so far in trying to resolve the issue in a peaceful way. I expect China to continue to do so. It has been trying to persuade Pyongyang that it is in the best interests of North Korea to fulfill its responsibility under the IAEA agreement.

**Q.** If the North does not comply with the special inspection requirements, the IAEA goes back to the UN Security Council and a decision is made on sanctions, do you think China would use its veto to block such action?

**A.** I cannot answer that question directly. But I think that China does recognize and appreciate the fact that we have done everything to persuade and give the right incentives and face-saving device to North Korea to comply.

**Q.** Is Seoul satisfied with the assurances of U.S. support given recently by President Bill Clinton on the nuclear issue and other threats from North Korea to the security of the South?

**A.** The Korean government is assured that the United States is fully committed to Korean security and to helping resolve the nuclear issue.

# WORLD BRIEFS

## U.S. Sets Conditions On Aid to Cambodia

By John M. Goshko

Washington Post Service

SINGAPORE — The Clinton administration has not ruled out giving financial assistance to a new Cambodian government including the Khmer Rouge, but would seek ways in which the aid might be reconciled with the strong hostility to the Khmer Rouge in the United States, according to a senior U.S. official.

The official, who declined to be identified, accompanied Secretary of State Warren M. Christopher here Saturday to attend the annual consultations between the six member states of the Association of South East Asian Nations and countries including the United States who close ties to ASEAN.

The ASEAN nations are especially anxious to resolve the civil war that has troubled the region for more than a decade and are hopeful that the recent United Nations-sponsored elections will lead to the establishment of a new government for their troubled neighbor.

Some of the members of ASEAN — made up of Brunei, Singapore, Malaysia, Indonesia, the Philippines and Thailand — were disturbed by recent comments by Deputy Secretary of State Clifford R. Wharton. He said Cambodian leaders had been told that "the United States would find it extremely difficult" to aid any new government in which the Khmer Rouge were represented.

The senior official reiterated that the United States remained very concerned about giving a toe-hold in the government to the Khmer Rouge, whose murderous rule ended by invading Vietnamese troops in 1979. He recalled that the U.S. Congress has banned any aid going to the Khmer Rouge and repeated Mr. Wharton's insistence that the Khmer Rouge must cease their insurgency, disarm, allow international inspection of areas under their control and agree to all terms of the peace agreement that set up the elections.

However, in an apparent allusion to Mr. Wharton's comments, he denied that U.S. policy involved a refusal to aid Cambodia under any circumstances if the Khmer Rouge were in the government.

"We believe that some recent statements by officials of the U.S. government have been oversimplified," he said. "The impression was developing, not only in the media but among some of our partners out here in the region, that we were ruling out flatly any Khmer Rouge participation or any aid to a government that included them." He added, "We want to clarify that the position is not that simple."

The official stressed that "our continued suspicion of the Khmer Rouge and our repugnance at their past history" remains "a constant." But he also noted that Cambodia requires massive aid from the international community to become peaceful and stable.

## Major, Buffeted on EC, Sinks in Polls

LONDON (AP) — Prime Minister John Major, weakened by the bitter political battle over ratification of the treaty on closer European union, took another beating in opinion polls published Sunday.

His governing Conservative Party trails the opposition Labor Party by 10 to 15 points, according to polls in The Sunday Telegraph and The Sunday Times. Only half of Conservative lawmakers believe Mr. Major would lead the party into the next general election, The Sunday Times said in a separate poll.

In another development, the Observer published off-the-record remarks made by Mr. Major to a television reporter in which he said he was marks made by Mr. Major to a television reporter in which he said he was loath to sack three right-wing ministers because they would only join other former ministers spreading "poison" against his government. "We don't want another three more of the bastards out there," he said, according to the paper, which had a tape recording of the remarks.

## Kurds Kidnap 4 French Tourists

TATVAN, Turkey (Reuters) — Kurdish rebels kidnaped four French tourists in southeast Turkey on Sunday in the second abduction of foreigners in the turbulent region this month, provincial government officials said. Six foreign tourists here were kidnaped in Turkey in the past three weeks.

The officials said a group of armed guerrillas of the Kurdistan Workers Party blocked a highway linking Tatvan and Van and abducted the tourists, who were on a passenger bus.

In Istanbul, a bomb planted at a tourist site exploded Sunday, wounding three tourists and one Turk, the police said. The bomb had been left in a litter basket under a cash machine near the Hagia Sophia Cathedral, they added.

## Crash Kills Colombia Air Safety Chief

BOGOTA (AP) — Colombia's chief aviation regulator has been killed in a plane crash a month after being assigned to improve the country's poor air-safety record, the government announced over the weekend.

A twin-engine Cessna Titan crashed into a Bogota district Saturday, just minutes after taking off from El Dorado Airport. All seven people aboard were killed, including Fernando Corrales, the head of the Civil Aeronautics Board, and his deputy, Javier Vallejo, the board reported.

Six people on the ground were killed, including four children. Mr. Corrales, 32, was named June 24 in response to the crash in May of an airliner that killed 132 people. The airliner was far off course, and Colombian officials blamed the government for not replacing a navigational beacon destroyed a year earlier by guerrillas. The Cessna was reported to have been confiscated from drug traffickers.

## TRAVEL UPDATE

### Truckers Begin Strike Across Italy

ROME (Reuters) — Italy's transport minister tried Sunday to stem the fears of consumers that a national strike by truck drivers that began at midnight and could continue into mid-August would lead to shortages of basic goods. If no settlement is reached during talks with the striking union on Monday, said Raffaele Costa, "necessary measures will be taken to ensure that people suffer the least possible inconvenience."

Truckers are expected to block roads to try to ensure that the strike is not broken. This could cause chaos on the roads as millions of tourists jam the roads for the traditional holiday season. UNATRAS, a union that groups more than 100,000 small and medium-sized haulage firms, called the strike over demands for tax breaks worth 250 billion lire (\$160 million) this year.

Negotiators for American Eagle's Flagship Airlines and its pilots reached a tentative contract agreement, averting a planned strike. Flagship, one of four American Eagle regional carriers, flies from Nashville, Tennessee; Raleigh-Durham, North Carolina; Miami, and New York to about 85 smaller cities. (AP)

The mayor of the seven-square kilometer island of Ponza, west of Naples, which is overrun by 25,000 tourists on some days in August, has decided to limit the number of day-trippers to 800 for next month. Mayor Antonio Balzano and environmental groups say the island's sanitation system is overburdened. To pay for the cleanup, the lucky 800 tourists will have to pay 3,000 lire (about \$1.90) each to step onto the island before they head for the rocky beaches. (AP)

### This Week's Holidays

Banking and government offices will be closed or services curtailed in the following countries and their dependencies this week because of national and religious holidays:

- MONDAY: Cuba, Liberia, Puerto Rico.
- TUESDAY: Belarus, Bosnia-Herzegovina, Israel.
- WEDNESDAY: Peru.
- THURSDAY: Peru.
- FRIDAY: Cuba.
- SATURDAY: Zaire.

Sources: J.P. Morgan, Reuters.



HIGH WATER — Three Nepalese villagers crossing the Agra River on Sunday 40 kilometers southwest of Katmandu. Flooding had washed out a bridge.

Government officials said the death toll in the country could be as high as 3,000. The floods are also affecting India and Bangladesh, and millions are homeless.

# China's Paramount Query: Just How Sick Is Deng?

By Nicholas D. Kristof

New York Times Service

BEIJING — In a country where the body politic is barely distinguishable from the five-foot frame of an 88-year-old retiree named Deng Xiaoping, perhaps the greatest mystery these days is this: Is that body healthy?

Mr. Deng has not appeared in public or on television for six months, and the whispers in Beijing are that he is seriously ill. By some

accounts he recently underwent surgery for cancer.

"He shouldn't die so soon," a retiree said with a hint of reproach. "He should at least hang on for another couple of years so that there might be a smooth transition," she said. "As things stand now, after he dies there could be massive turmoil."

Her husband, a retired official who has played bridge with Mr. Deng, explained: "After he dies,

there's just nobody to take his place."

To be sure, it is hard to say with certainty even that Mr. Deng, the most powerful person in China, is ill. In the past, rumors have periodically spread that he was dead or dying, and in 1989 the Central Intelligence Agency reportedly advised the White House that reports of his death were credible.

Almost immediately afterward, Mr. Deng emerged on national

television looking as chipper as ever.

In an apparent effort to dampen speculation that he is dying, the official Xinhua news agency announced Saturday that Mr. Deng had written an inscription for a new bridge in Shanghai. But it did not say when he had written the inscription.

The larger question is who, if anyone, is running the country. In the Chinese political system, as long as Mr. Deng is still breathing, even if he is slumped over in a coma, it would be awkward and presumptuous for anyone to pull him out of the pilot's seat and take over the controls.

The other party elders in their 80s and 90s are also out of sight and believed to be in poor health. Prime Minister Li Peng has been sidelined with heart trouble since April, and there are some indications that he may be in political trouble as well.

The official version of reality is that Mr. Deng is as healthy as ever. "Deng Xiaoping's health is very good," Cheng Siyuan, a vice chairman of China's Congress, said earlier this month. The Foreign Ministry said that a Japanese press report that Mr. Deng had been operated on for testicular cancer was "totally groundless."

One of Mr. Deng's daughters, Deng Nan, said in April that her father was "still preparing to visit Hong Kong after 1997," when the territory reverts to Chinese sovereignty.

The problem with the official accounts of Mr. Deng's glowing good health is that the government normally characterizes leaders as fine and vigorous until the pulse has disappeared and the corpse gone cold. The government compounded its credibility problem when it attributed Prime Minister Li's disappearance in April to a "bad cold," which turned out to be a heart attack.

When last shown on television, during Chinese New Year celebra-

tions in January, Mr. Deng could barely walk. His hand trembled constantly, and he had trouble speaking.

His youngest daughter stood beside him, translating his grunts into Chinese that other people could understand and yelling their replies into his left ear, which is less deaf than his right ear.

"He's been in a state of health for at least a year where he could go at any time," said a Western diplomat in Beijing.

The concern about Mr. Deng's health may be a bit difficult to understand in the West, because his loftiest position these days is simply that of honorary chairman of the China Bridge Association.

Even in the 1980s, Mr. Deng never held the most prestigious titles. Instead, in an indication of how meaningless positions sometimes are in China, he ruled the country from such posts as deputy prime minister and chairman of the government's Central Military Commission.

Mr. Deng resigned from his last official position, as chairman of the military commission, in 1990. In the last few years he has stopped meeting foreigners and making public speeches, and he appears on television or in the newspapers only rarely.

Yet Mr. Deng remains by far the most powerful person in China. In particular, he is the only person who has undisputed control over China's 3 million army troops.

## Ethnic Rwandans Slain In Zaire, Radio Reports

Reuters

NAIROBI — About 3,000 ethnic Rwandans have been killed in fighting in areas of eastern Zaire, bordering Rwanda, the rebel Rwanda Patriotic Front said on Sunday.

Aid workers in Rwanda said hundreds of thousands of Rwandans, whose country is the most densely populated in Africa, had moved into parts of eastern Zaire in the last 30 years, leading to tension with the Zairian population.

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## Last of the Postwar Leaders

### Miyazawa Cedes to Men Less Tied to Outdated Values

By James Sterngold  
New York Times Service

TOKYO — By the time Prime Minister Kiichi Miyazawa left a critical meeting of the Liberal Democratic Party last week, this aging strategist in Japan's postwar economic miracle had resigned and suffered a humiliating verbal assault that left him looking sadly out of touch.

He had been beaten in a vast power play, but perhaps more important to the political shifts underway here, Mr. Miyazawa's fall symbolized a deep philosophical change, slowly gaining momentum, that some believe could affect Japan more than the next choice of prime minister.

In this chaotic encounter between the old guard and a newer generation, a number of politicians, historians and economists agree that Japan was bidding a tortured farewell to its last postwar prime minister and, just maybe, to the rigid adherence to a set of principles that has left Japan an oddly unbalanced economic superpower.

The new leaders are generally more comfortable with at least discussing the idea of Japan's accepting all the burdens of membership in the global community, and of changing the Japanese economy's emphasis on producers at the expense of consumers.

As a young bureaucrat in the late 1950s, Mr. Miyazawa helped formulate — and then as a veteran politician embodied — the policies that lifted Japan spectacularly from the ashes of World War II. Japan built a military force of modest proportions and agreed to follow the lead of the United States on all issues of security and international politics, focusing instead on economic development under the firm guidance of well-trained bureaucrats.

This is often referred to as the Yoshida doctrine, after the preeminent figure of the late 1940s and early 1950s, Prime Minister Shigeru Yoshida.

Those policies eventually left Japan deeply mistrusted because of its yawning trade imbalances, and still struggling 48 years after World War II to articulate an independent security and foreign policy. The Yoshida doctrine also left Japan increasingly at odds with the United States, particularly under the more aggressive economic policies of President Bill Clinton.

"Miyazawa is the last of the generation that came up under the direct influence of Yoshida," said John W. Dover, a professor of Japanese history at the Massachusetts Institute of Technology and author of a definitive study of the Yoshida era. "It was a policy of economic nationalism under the eagle's wing. It worked. But psychologically it has been hard to break from the subordinate independence that policy created."

It was clear even before the end of the Cold War that the ambitious Yoshida legacy was starting to work against Japanese interests — with growing trade frictions and Japan's halting response to international crises such as the Gulf War. But the doctrine became a kind of orthodoxy that, many politicians and other experts say, few politicians could question openly.

For the most part, the leaders vying to replace Mr. Miyazawa, many of whom are defectors from the Liberal Democratic Party, endorse only incremental changes in the policies. Because of public distrust of the military, there is a powerful strain of pacifism that still runs through the new generation, and an unwillingness to bend to every American demand on trade.

But some of the new leaders have been willing to discuss directly issues that were all but taboo during the four decades of Liberal Democratic rule.

Morihiro Hosokawa, head of the Japan New Party and a strong candidate to become prime

**NEWS ANALYSIS**

minister in a coalition government, has said he would consider opening Japan's rice market. Tsutomu Hata, head of the Japan Renewal Party, has promised he would extend full apologies to Japan's Asian neighbors for World War II, something the postwar leaders refused to do. The New Harbinger Party has said it would review the constitutional limits on Japan's taking part in collective security arrangements.

There are even some younger members of the Liberal Democratic Party who have said they are committed to pushing for full economic deregulation.

Because Mr. Yoshida has cast such a long shadow over policy-making here, some of the new leaders have sought to reinterpret his philosophy rather than discard it.

"Some have the opinion that we should not change the doctrine because Prime Minister Yoshida established the policies of giving priority to the economy, and they were successful," wrote Ichiro Ozawa, co-founder of Mr. Hata's party and the most aggressive of those wanting to alter the security and economic agendas. "But this is wrong. Prime Minister Yoshida was only making a political choice of giving priority to the economy as a Cold War strategy. It is not based on his political philosophy, nor is it an unchanging political principle."

Even some of those who helped make the Yoshida doctrine a success are starting to argue that the legacy may be doing more harm than good.

"The successors to the Yoshida era are at a loss about what to do and where to go," said Naohiro Amaya, a former top official at the Ministry of International Trade and Industry who was instrumental in designing Japan's successful industrial policies. "I think we are in for a long period of trial and error. But I do know that sticking to the status quo means suicide."



# Serbs Shell UN Sarajevo Base As New Cease-Fire Is Ignored

Compiled by Our Staff From Dispatches  
SARAJEVO, Bosnia-Herzegovina — Bosnian Serbs shelled a United Nations military base in Sarajevo on Sunday just hours after the latest attempt to impose a cease-fire in Bosnia.

Colonel Roger D'Urquy of the UN forces said 68 artillery rounds had hit the base in a district controlled by the Muslim-led Bosnian government over a period of 45 minutes. The attack wrecked several armored vehicles but caused no casualties among French peacekeeping troops in the base, at a stadium used for the 1984 Sarajevo Winter Olympics.

UN officials in Sarajevo said both Serbian forces and the Bosnian Army ignored the cease-fire, which officially went into force Sunday morning and which had been expected to pave the way for renewed peace talks in Geneva on Tuesday. President Alija Izetbegovic of Bosnia has twice delayed the negotiations, saying he cannot take part while Serbian offensives are in progress.

The leader of the Bosnian Serbs, Radovan Karadzic, said he would use the talks to propose making Sarajevo an "open city."

In a letter to the international mediators, Lord Owen and Donald Stoltzberg, Mr. Karadzic said Serbs would do their best to

enable uninterrupted supplies of food, water, gas and electricity to reach Sarajevo.

People in Sarajevo have been deprived of essential services for more than a month.

"We offer to make Sarajevo in effect an open city if the Muslims agree to do likewise," Mr. Karadzic said.

"As for the enclaves in eastern Bosnia, we are prepared to desist from all attacks on them provided that the armed forces within them are disarmed."

But Mr. Karadzic made clear that he felt a settlement was still some way off. He said "powerful forces" were encouraging the Muslims to hold out against a Serbian and Croatian plan to split Bosnia into three ethnic ministates.

The Bosnian collective presidency, although deeply divided, favors a federation with equal rights for all ethnic groups.

In an interview, Mr. Karadzic gave Muslims a stark choice in the talks: Accept ethnic division of the republic or fight to the death.

The UN Protection Force spokesman, Commander Barry Frewer, said most of the shooting in Sarajevo was coming from Serbian positions, but added: "It is not being respected by either side. It is very disappointing."

UN soldiers said the shells that

hit their base had come from a Serbian mountain stronghold overlooking the besieged city.

Colonel D'Urquy said he thought the Serbs had deliberately shelled the UN position in an attempt at intimidation.

Commander Frewer said the United Nations recorded 213 Serbian rounds, including rockets, shells and mortars, and 16 rounds fired by the Bosnian Army in the first 7 hours of the accord.

(Reuters, AP)

## Only Moderate Muslims

Foreign Minister Andrei V. Kozirev of Russia said Sunday that the United Nations would allow only moderate Muslim countries to send peacekeepers to Bosnia.

The Associated Press reported, Mr. Kozirev, attending a meeting of Asian foreign ministers in Singapore, was discussing offers from Iran, the Palestinians and other Muslim nations to send troops to protect Muslims from attacks by Serbs in Bosnia.

"I believe it's important to avoid even a semblance of religious crusade, be it Muslim religious crusade or any other," he said. The UN Security Council "will determine moderate, reasonable Muslim countries" who can take part in such a peacekeeping force, he added.

# Truce Set For 3 Days In Conflict In Caucasus

MOSCOW — Azerbaijanis and Armenians in the embattled Nagorno-Karabakh enclave agreed Sunday to a three-day cease-fire along the borders.

The spokesman for the enclave's legislature, Gegam Bagdasaryan, said that the cease-fire, which took effect at midnight Saturday, had so far been respected by both sides.

"We agreed on a condition that the time would be used to hold top-level negotiations between Azerbaijan and Nagorno-Karabakh," he said by telephone from the Karabakh capital, Stepanakert.

Azerbaijani authorities refused to confirm or deny that a cease-fire had been introduced. But a Defense Ministry spokesman in Baku said the fighting had stopped.

Recently, Armenian troops have changed the tide of the five-year bloody war over the Transcaucasian enclave, which tried to secede from Azerbaijan to join Armenia.

Repeated international and domestic efforts to settle the crisis have failed.

The Armenians have forced Azerbaijani troops out of the enclave and seized a crucial region between the enclave and Armenia.

Last week they dealt Azerbaijan a further humiliating blow when they seized the key town of Agdam, east of the enclave, despite repeated demands that they intended to take the town.

In a separate operation, they have come close to seizing Fizuli, another Azerbaijani town bordering Nagorno-Karabakh.

## Georgia-Abkhazia Accord

The leader of Georgia, Eduard A. Shevardnadze, decided Sunday to approve a peace agreement with the rebellious Black Sea province of Abkhazia. The Associated Press reported from Tbilisi.

Georgian legislators criticized the Russian-brokered peace plan at a closed-door session Saturday but later gave Mr. Shevardnadze full authority to approve it.

Mr. Shevardnadze issued an appeal Sunday to the Georgians and Abkhazians people to end the 11-month-old civil war.

## 11 Killed in Thai Bus Crash

BANGKOK — Eleven people including six foreigners were killed when a double-decker tour bus crashed in a rainstorm in northern Thailand.

# Iraq Denounces U.S. Over Missile Attack

By Nora Boustany  
Washington Post Service

BAGHDAD — Iraq denied Sunday that one of its radar batteries was attacked after tracking a U.S. warplane, charging that Washington was trying to provoke a crisis with Baghdad.

"Iraq categorically denies the reported [radar] illumination or the dispatch of anti-aircraft missiles by an Iraqi anti-aircraft battery in the southern sector against U.S. planes yesterday evening," an official Iraqi spokesman said.

The Pentagon said that a U.S. fighter patrolling the zone had fired at a missile site. The Iraqis fired back from another site, without success, it said, quoting the pilot.

The F-4G attacked with a HARM missile after an Iraqi radar had locked onto it, a Defense Department spokesman, Colonel Dave Garner, said. The missile was reported to have hit its target.

The Information Ministry denied that an Iraqi radar unit had locked on to U.S. planes and that missiles had been fired from an Iraqi

anti-aircraft battery. It also insisted that no Iraqi missile site had been hit.

What the pilot reported "is either an expression of hallucination on his part or that certain parties in the American administration are trying, as usual, to create a crisis for certain well known political purposes," the spokesman said.

The statement referred to "the American pilots who violate Iraqi airspace in the south" but did not reiterate previous objections to the no-fly zones imposed by the United States and its allies.

A three-man team of UN weapons inspectors arrived yesterday to join four others to finalize the installation of surveillance cameras at two Iraqi missile testing sites. The head of the team, vowed that he was determined to get the job done, pointing out that the cameras "will not be activated except for maintenance during an interim period."

Arab diplomatic sources said a deal worked out with Rolf Ekeus, the head of the UN Special Commission for dismantling Iraq, calls on Baghdad to inform the United Nations three

or four days ahead of time of its plans to test-fire missiles, so the cameras would be turned on.

"We look forward to the cooperation of the government of Iraq in doing this job," Bill Eckert, an American from Dayton, Ohio, told reporters gathered at the Sheraton Hotel. "This will be the first camera installation from the monitoring perspective," he added. "We are going to do this project together and we will succeed at it together," he emphasized.

He read Iraq's statement in a position paper presented to the Security Council that said it was ready to comply with UN Resolution 715, which lays the groundwork for future monitoring and verification of its weapons of mass destruction potential.

Mr. Eckert said that the tone of his Iraqi counterparts receiving him at the airport Sunday morning was "not only positive, but we both believe we are looking at change for the better."

The controversy over the cameras had almost deteriorated into military action.

# RAID: Israel Hits South Lebanon

Continued from Page 1

sive in voting inside the cabinet, but Meretz ministers muffled their criticism in public.

Beginning shortly after 10 A.M., Israeli warplanes attacked nine Hezbollah targets and one belonging to the Popular Front for the

Liberation of Palestine-General Command, headed by Ahmed Jibril, which had claimed responsibility for one of the earlier fatal assaults on Israeli soldiers in the security zone.

Anticipating some kind of Israeli retaliation, many Hezbollah and Jibril fighters had apparently fled northward.

Israeli military leaders said the targets of the first wave of attacks were valuable command and control sites. According to news reports from the region, these included a Hezbollah military base on the outskirts of Baalbek in the eastern Bekaa. Witnesses described a hit on an arms depot that set off explosions and fires. A nearby hilltop antenna for Hezbollah's television station was also destroyed.

In the western Bekaa, Israeli planes destroyed a vocational school housing a Syrian army base and causing the Syrian casualties.

The Jibril organization target was a base at Naameh near Beirut, according to reports from the area.

Israeli said that its pilots had run into heavy anti-aircraft fire and one surface-to-air missile but that no planes or pilots were lost.

The initial Israel attack triggered a fresh round of Katyusha firings at Israel and the security zone.

According to Israeli officials, they launched a second wave of air raids against an estimated 40 sites where guerrillas were suspected of hiding. In the village of Ein el Tineh near Mashghara, the home of a local Hezbollah commander was destroyed and four members of his family killed.

A third and fourth wave of Katyushas followed, and one made a direct hit on an apartment house in Kiryat Shemona in the northern Galilee, killing at least 2 Israelis and wounding 13 others.



A Lebanese woman fleeing an Israeli jet raid near Naameh.

# CLINTON: For Sarajevo, He's Just Another Villain

Continued from Page 1

across Bosnia, the victims of the attacks expected much of America. They thought this was a matter of power, and there was a sense that Western Europe does not normally find common cause in international affairs without American leadership.

Beyond this, there was the conviction that America is a land of essential goodness. "America will come," heard in bunkers throughout last summer, was as much a statement of faith as of hope.

This did not, of course, take into account what has proved to be a crucial factor — the sense in Bill Clinton's Washington, as among the Americans who elected him, that the United States has other urgent priorities that should not be set aside in order to pay the large diplomatic, financial and perhaps mortal costs that might be entailed in rescuing Bosnia from its suffering.

The perception of America as the last, best hope, as well as interest in America's likely actions, was not limited to Bosnia's Muslims. It was

as strong, in its way, on the other side of the war, among the Serbian nationalists.

From the first sniper bullet and howitzer shell, Serbian officials showed a keen interest in America's reactions.

Men like Radovan Karadzic, the Bosnian Serbian nationalist leader, never seemed to doubt that if there was any force likely to frustrate his objectives, it was the United States.

The result, throughout the war, has been an almost arithmetical correlation between U.S. leaders' statements on the conflict and the behavior of the Serbian forces.

When Mr. Bush appeared to be considering using U.S. air power against the Serbian guns around Sarajevo last summer, the Serbian leaders hastened to an international conference in London, where they promised to end "ethnic cleansing" and the use of heavy weapons against civilian populations.

In the spring, when Mr. Clinton and his officials announced that they were looking at the use of air power, and at the possibility of lifting a UN arms embargo that has

locked in the Serbian forces' superiority, Mr. Karadzic hurried to a conference in Athens with his mentor and armorer, President Slobodan Milosevic of Serbia.

There, the two signed the peace plan drawn up by the international mediators Cyrus L. Vance and Lord David Owen, which would have preserved Bosnia as a sovereign state and forced the Serbs to relinquish at least a third of the seized Bosnian lands.

But by the time Mr. Karadzic returned to his headquarters in Pale, Mr. Christopher was in Europe, probing the willingness of European leaders to join in military action alongside the United States and accepting their demurral.

The result was a Serbian referendum in Bosnia rejecting the peace plan, and a return, at virtually every battle front in Bosnia, to the offensive. Serbian leaders, and their followers, have scarcely concealed their sense of triumph.

"Clinton?" a soldier in a Serbian tank overlooking Sarajevo asked. "He's nothing. He knows who we Serbs are, and he doesn't dare take us on."

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Francis Bouygues, French Builder, Dies

By Roger Cohen
New York Times Service
Francis Bouygues, 70, a hard-nosed French businessman who built one of the world's largest construction groups and later diversified into the media, died Saturday of a heart attack at his vacation home in St. Malo, in Brittany.

Mr. Bouygues turned the small construction business he founded in 1952 into a group with sales last year of \$11 billion and 84,000 employees.
"i have no colleagues — I have only competitors" was one of the favorite sayings of a man who shunned industry associations and seldom, if ever, spoke to news organizations. It was his character, as well as his enterprise, that earned him the nickname Monsieur Beton (Mr. Concrete).

the towering Grande Arche, in the modern western suburb of La Defense. The company is also a main contractor on the Channel Tunnel.
Besides these conspicuous projects, Mr. Bouygues also relentlessly secured valuable contracts to build roads and highways throughout France and subsidized housing in city suburbs.
Mr. Bouygues emerged from a host of competitors, including Robert Maxwell, the late media tycoon, to win effective control of France's TF1 television station when it was privatized in 1987.

Mr. Bouygues also moved into movie production through a company he established, City 2000. In this role, he and a son, Marin, were aggressive in pushing French cinema production into a more international role. The much acclaimed co-winner of this year's Cannes film festival, "The Piano" by the New Zealand director Jane Campion, was a Bouygues movie, although it was made in English and directed by a foreigner.

Rome's State-Run Corruption

Looting of Public-Sector Entities Is Found

By William Drozdiak
Washington Post Service
ROME — With nearly half of the Italian economy tied up in the vast public sector, ruling politicians have enjoyed extraordinary power and privilege by treating state-run enterprises as lush sources of party funds and patronage, officials investigating Italy's massive corruption scandal have discovered.
As chairman of the Italian state energy conglomerate, ENI, the world's eighth-largest oil group, Gabriele Cagliari ruled over one of the principal sources of illegal funds that nourished ENI's main political parties.

ROME — With nearly half of the Italian economy tied up in the vast public sector, ruling politicians have enjoyed extraordinary power and privilege by treating state-run enterprises as lush sources of party funds and patronage, officials investigating Italy's massive corruption scandal have discovered.
As chairman of the Italian state energy conglomerate, ENI, the world's eighth-largest oil group, Gabriele Cagliari ruled over one of the principal sources of illegal funds that nourished ENI's main political parties.
ENI's far-flung global empire, with \$30 billion in annual sales, offered an excellent cover for funneling inflated commissions back home into party coffers. And with more than 130,000 employees, ENI provided a huge featherbed of jobs for those with friends in powerful places.

Italy Seeks To Consult On Actions In Somalia

Washington Post Service
ROME — Fearful that the United Nations is losing sight of its mandate to assure humanitarian aid deliveries, Italy is demanding that all countries with peacekeeping forces in Somalia consult before taking military action against General Mohamed Farrah Aidid and other warlords.
Despite the risk that such consultations could hamper military flexibility, Italian officials say it is a small price to pay to avoid future misunderstandings such as the one that arose when a U.S. air raid against General Aidid's headquarters provoked a retaliatory ambush that killed three Italian soldiers.

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By Alan Truscott
With 32 deals remaining of a scheduled 128, David Berkowitz of Old Tappan, New Jersey, Larry Cohen of Little Falls, New Jersey, Sam Lev of Forest Hills, Queens, Cliff Russell of Miami, Mary Bergen of Farmingdale, Long Island, and Eric Rodwell of Naperville, Illinois, led by 98 trips against a team that includes Neil Chambers of Schenectady, New York.

gained 12 trips when the opposing team rested cautiously in the no-rump. But what would have happened if West had made a passive lead of a trump?
There was certainly a winning line of play. South could have drawn a second round of trumps, saving the ace in the dummy. Then he could play clubs, making the contract if the clubs divided evenly or 4-1, as in the actual case, one defender held length in both black suits.

BRIDGE
WEST: 10 4 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 100 101 102 103 104 105 106 107 108 109 110 111 112 113 114 115 116 117 118 119 120 121 122 123 124 125 126 127 128 129 130 131 132 133 134 135 136 137 138 139 140 141 142 143 144 145 146 147 148 149 150 151 152 153 154 155 156 157 158 159 160 161 162 163 164 165 166 167 168 169 170 171 172 173 174 175 176 177 178 179 180 181 182 183 184 185 186 187 188 189 190 191 192 193 194 195 196 197 198 199 200 201 202 203 204 205 206 207 208 209 210 211 212 213 214 215 216 217 218 219 220 221 222 223 224 225 226 227 228 229 230 231 232 233 234 235 236 237 238 239 240 241 242 243 244 245 246 247 248 249 250 251 252 253 254 255 256 257 258 259 260 261 262 263 264 265 266 267 268 269 270 271 272 273 274 275 276 277 278 279 280 281 282 283 284 285 286 287 288 289 290 291 292 293 294 295 296 297 298 299 300 301 302 303 304 305 306 307 308 309 310 311 312 313 314 315 316 317 318 319 320 321 322 323 324 325 326 327 328 329 330 331 332 333 334 335 336 337 338 339 340 341 342 343 344 345 346 347 348 349 350 351 352 353 354 355 356 357 358 359 360 361 362 363 364 365 366 367 368 369 370 371 372 373 374 375 376 377 378 379 380 381 382 383 384 385 386 387 388 389 390 391 392 393 394 395 396 397 398 399 400 401 402 403 404 405 406 407 408 409 410 411 412 413 414 415 416 417 418 419 420 421 422 423 424 425 426 427 428 429 430 431 432 433 434 435 436 437 438 439 440 441 442 443 444 445 446 447 448 449 450 451 452 453 454 455 456 457 458 459 460 461 462 463 464 465 466 467 468 469 470 471 472 473 474 475 476 477 478 479 480 481 482 483 484 485 486 487 488 489 490 491 492 493 494 495 496 497 498 499 500 501 502 503 504 505 506 507 508 509 510 511 512 513 514 515 516 517 518 519 520 521 522 523 524 525 526 527 528 529 530 531 532 533 534 535 536 537 538 539 540 541 542 543 544 545 546 547 548 549 550 551 552 553 554 555 556 557 558 559 560 561 562 563 564 565 566 567 568 569 570 571 572 573 574 575 576 577 578 579 580 581 582 583 584 585 586 587 588 589 590 591 592 593 594 595 596 597 598 599 600 601 602 603 604 605 606 607 608 609 610 611 612 613 614 615 616 617 618 619 620 621 622 623 624 625 626 627 628 629 630 631 632 633 634 635 636 637 638 639 640 641 642 643 644 645 646 647 648 649 650 651 652 653 654 655 656 657 658 659 660 661 662 663 664 665 666 667 668 669 670 671 672 673 674 675 676 677 678 679 680 681 682 683 684 685 686 687 688 689 690 691 692 693 694 695 696 697 698 699 700 701 702 703 704 705 706 707 708 709 710 711 712 713 714 715 716 717 718 719 720 721 722 723 724 725 726 727 728 729 730 731 732 733 734 735 736 737 738 739 740 741 742 743 744 745 746 747 748 749 750 751 752 753 754 755 756 757 758 759 760 761 762 763 764 765 766 767 768 769 770 771 772 773 774 775 776 777 778 779 780 781 782 783 784 785 786 787 788 789 790 791 792 793 794 795 796 797 798 799 800 801 802 803 804 805 806 807 808 809 810 811 812 813 814 815 816 817 818 819 820 821 822 823 824 825 826 827 828 829 830 831 832 833 834 835 836 837 838 839 840 841 842 843 844 845 846 847 848 849 850 851 852 853 854 855 856 857 858 859 860 861 862 863 864 865 866 867 868 869 870 871 872 873 874 875 876 877 878 879 880 881 882 883 884 885 886 887 888 889 890 891 892 893 894 895 896 897 898 899 900 901 902 903 904 905 906 907 908 909 910 911 912 913 914 915 916 917 918 919 920 921 922 923 924 925 926 927 928 929 930 931 932 933 934 935 936 937 938 939 940 941 942 943 944 945 946 947 948 949 950 951 952 953 954 955 956 957 958 959 960 961 962 963 964 965 966 967 968 969 970 971 972 973 974 975 976 977 978 979 980 981 982 983 984 985 986 987 988 989 990 991 992 993 994 995 996 997 998 999 1000

BOOKS
FOXFIRE: Confessions of a Girl Gang
By Joyce Carol Oates
328 pages. \$21. Dutton/A William Abrahams Book.
Reviewed by Michiko Kakutani
NORMAN Mailer once observed that most writers have a handful of ideas, and that they spend their careers reinventing these same ideas over and over again. Certainly this has been true of Joyce Carol Oates and her ever-expanding oeuvre.

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WHAT THEY'RE READING
Philip Newton, fashion photographer for ELLE is reading the literary magazine "Granta," which is edited in Oxford, England, by the American writer Bill Buford.
The new, up-and-coming authors and photographers are what attracts me. Seventy-five percent of the stories I love.
(Miranda Haines, IHT)

Handwritten notes and signatures on the right margin, including "Only P" and "1950".



CAPITAL MARKETS

For the Really Long View, Firms Try 100-Year Issues

NEW YORK — U.S. companies have been extending the maturities of their debt, locking up today's low interest rates for uncommonly long periods. But last week Walt Disney Co. and Coca-Cola Co. announced borrowing for twice the length of time as any of the others — 100 years. And they may not be the last, knowing how bond underwriters latch onto trends.

"It expands the frontier of financing possibilities in the public market," John Robson, director of corporate financing for Canadian Pacific Ltd., said of Disney's pioneering century bond.

"Thirty-year bonds are quite common, 50-year less common," Mr. Robson said. "Now Disney has shown that a 100-year issue is feasible."

Mr. Robson said he's had calls in the last couple of days from investment bankers who pitched the idea of the Canadian railway company selling a 100-year bond, but he says he has no plans to do so just now. Canadian Pacific has a 999-year bond left over from another era; it matures in 2883.

CSX Corp., a railroad holding company based in Richmond, Va., has five 100-year bonds outstanding, inherited from railroad mergers in years past. The company wouldn't rule out selling another one. "We keep an open door," said David Owen, a managing director at the company. "We plan on being around for a long time."

While the company has been approached by investment banks for such an issue, "nothing has been presented to us so far that we want to avail ourselves of," Mr. Owen said.

The most prolific municipal bond issuer, New York City, already has some securities outstanding with maturities of more than 100 years.

Road bonds sold in 1868 by the town of West Farms, now part of the city's Bronx borough, will mature in 1996, 128 years after their sale. They're still a good buy too. The \$150,000 bonds outstanding pay 7 percent interest, 110 basis points more than 20-year bonds the city sold last week.

Underwriters don't expect too many more 100-year issues from states and cities in any case. "If I were an issuer, I think it would be fantastic in this interest-rate environment," said John MacDonald, senior vice president of municipal trading and underwriting at Dougherty, Dawkins, Strand & Bigelow Inc. in Minneapolis. "On the buy side, I don't know who would care."

A lot can happen in 100 years. Take the case of Mississippi, which guaranteed \$7 million of bonds sold to British investors in 1831, 1833 and 1838 by Mississippi Union Bank and Planters Bank of Mississippi. The Mississippi banks sold the bonds to finance railroad construction, a plan that died young.

The bonds defaulted in 1841. The state repudiated the debt in 1875 and a new state constitution in 1890 affirmed that repudiation. For decades, U.S. courts have ruled against bondholders who tried to collect. For long, long-term bonds, it's really caveat emptor.

Strike Ends At 2 Plants Of Hyundai

SEOUL — Workers at two more subsidiaries of the Hyundai Group have decided to return to work, paving the way for a possible settlement to disputes at other members in the conglomerate, union spokesmen said Sunday.

"Our leaders have decided to return to work on Monday after they agreed to revised proposals for management," a union spokesman at Hyundai Precision & Industry Co. in the town of Ulsan said by telephone.

He said the agreement, reached late Saturday, would be presented to union members Wednesday. "We expect other union members would approve the agreement," he said. "We hope our decision would positively affect other Hyundai companies in dispute."

The agreement came after workers at Hyundai Motor Co. voted Friday by a razor-thin margin to settle a dispute that had lasted six weeks.

The dispute at Hyundai Precision, a military contractor, began June 5 and ignited industrial action at seven other Hyundai units in Ulsan, the country's key industrial city and home to 17 companies.

Thousands of riot policemen were poised Saturday to quell the strike at the plant, which produces tanks and troop carriers. Strikes at defense plants are illegal.

Earlier, about half the 640 union members at Hyundai Pipe Co. voted to return to work, ending a 36-day dispute with management.

Five other Hyundai companies were embroiled in disputes but both the management and union were seeking to continue negotiations, union spokesmen said.

Workers were pressing for better wages and working conditions.

The government has berated Hyundai management for poor industrial relations and it vowed to take action against the company when the unrest ended.

Steel Giants' Rivals Think Small

By Peter Behr Washington Post Staff Writer

BALTIMORE — America's giant steel companies, shrunken by years of fierce competition and financial losses, should start to see their future take shape this week.

Having sunk \$30 billion into building new facilities since 1980, can they become profitable enough to make these investments pay off? If not, they will have little hope of becoming competitive, Curtis H. Barnette, chairman of Bethlehem Steel Corp., says.

"To do that, we must return in profitability," he says.

And so the industry, whose top six companies had losses totaling \$3 billion last year, went to Washington to find those profits.

Along with 11 other major companies, Bethlehem filed an unfair-trade complaint with the U.S. International Trade Commission and the Commerce Department against steelmakers in 19 other countries.

The complaint accuses those steelmakers of dumping steel in the United States at less than fair value and using subsidies to boost their exports, thereby adding to a glut of steel products around the world and driving prices and profits down further.

On Tuesday, the commission — an independent U.S. regulatory body made up of three Republicans and three Democrats — will vote on each of the products at issue, deciding whether imports had caused significant injury to the U.S. industry. A tie vote is enough for the big steel companies to win.

If the commission sides with the big American companies, the overseas steelmakers

would be hit with heavy penalty duties that would price most of them out of the American market.

But there are some observers who will argue that the major American companies are pointing their fingers in the wrong direction.

If the commission goes along with that argument, it will decide that "mini-mills" and other low-cost producers that have sprung up

ings and other industrial scrap and pour the molten steel to make new products.

Nucor's streamlined production lines and lower labor costs have helped the company slash the cost of steelmaking. Nucor makes steel construction beams for \$50 to \$75 a ton less than Bethlehem does, a 15 percent cost advantage, Mr. Iverson said.

Started in the early 1970s, Nucor has grown steadily and taken billions of dollars in sales away from its larger rivals. A critical part of the advantage of Nucor and other mini-mills is their low labor costs.

Workers are nonunion, paid through incentive arrangements that link bonuses to the company's profit. And as a new and growing company, Nucor has far more active employees than retirees. For every ton of steel the big companies like Bethlehem sell, they must pay about \$30 to their 70,000 retirees and 170,000 health plan beneficiaries.

It would be logical to blame imports for the losses of the U.S. giants if they had been consistently taking sales away from domestic companies over the past three years, said Robert W. Crandall, an economist who testified for the foreign steelmakers before the ITC last month.

But that hasn't happened, Mr. Crandall said. The importers' share of the market hasn't risen. Therefore, he reasons, the mini-mills and other low-cost domestic producers must be the ones responsible.

"The forces driving prices in the market are domestic mills, not imports," William H. Baringer, an attorney for four overseas steel mills, told the ITC.

Mr. Baringer was ousted in January when the company announced a \$5 billion loss for 1992.

Contrast that to American Telephone & Telegraph Co., whose

OPEC Debates Meeting

Iraq Warns Saudi And Kuwait on Exceeding Quotas

Compiled by Our Staff From Dispatches

ABU DHABI — OPEC members remained divided Sunday over whether to convene an emergency meeting to help boost oil prices.

Iraq has called for an immediate meeting but the president of OPEC, Jao Ping, said some other members favored waiting "for a more concrete element" to emerge from Iraq's oil talks with the United Nations.

Iraq, meanwhile, with its oil exports sealed by UN sanctions, issued a warning Sunday to Saudi Arabia and Kuwait on the danger of flooding world markets with oil.

Referring to the ruling families of Saudi Arabia and Kuwait, it said that "the Arab masses" cannot "permit the Saud and Sabah families and those following them or their sheikhs to squander Arab money."

The ruling Bahath party newspaper Ash Thawra said. "It said quota-breaking by other producers was and is a conspiracy against Iraq, the Arab nation and Arab national security."

Mr. Ping, the oil minister of Gabon who is on a Middle East tour seeking to narrow differences among the world's key oil producers, said he might fly to Saudi Arabia and Kuwait on Monday for further consultations with the two oil-producing heavyweights. He has already held talks with Iran, the United Arab Emirates, Kuwait and Saudi Arabia.

Gulf sources said Saudi Arabia and others in the Organization of Petroleum Exporting Countries feel emergency talks should certainly be held if Iraq is allowed to sell oil and should be considered in any case if prices continue to deteriorate. The sources said the possibility remained of emergency OPEC talks around mid-August.

But the sources said it could take several weeks of talks between Iraq and the UN before an accord is reached on Iraqi oil sales.

The atmosphere has also been soured by growing tensions between Saudi Arabia and Iran. Hisham Nazer, the Saudi oil minister, accused Iran Friday of cheating on its quota while Iran called on Saudi Arabia to slash production.

The Iranian newspaper Tehran Times accused the Saudis of exploiting the situation created by the Gulf War to boost production. Following Iraq's invasion of Kuwait, Saudi Arabia increased its oil output to around 8 million barrels to compensate for lost production.

(Reuters, Knight-Ridder, AFP)

Pretoria and Zaire Plan Ties

KINSHASA, Zaire — South Africa and Zaire, which have strong commercial ties, are to establish full diplomatic relations and exchange ambassadors, it was announced.

IBM Seen Slashing Payout and Payroll

Bloomberg Business News

NEW YORK — Louis V. Gerstner Jr., the new boss at International Business Machines Corp., is sharpening his axe as the company prepares to disclose new elements of its turnaround strategy on Tuesday.

Wall Street widely expects Mr. Gerstner to whack the quarterly dividend to half of 27 cents a share, the second trim this year, as well as take a restructuring charge of as much as \$5 billion. The writeoff will cover the cost of lopping at least 25,000, and maybe 50,000,

more employees from its payroll, which now numbers 301,543.

The huge charge will come on top of an operating loss of about \$175 million for the second quarter, as IBM's mainframe computer sales continue to shrivel and Europe's lingering recession crimps sales of the minicomputer line that has been a traditional U.S. hit.

Last year, IBM reported second quarter net income of \$714 million on revenue of \$16.2 billion, compared with 1991 net income of \$126 million on revenue of \$14.8 billion.

"All these things have been pretty well telegraphed and there won't

be any surprises there," said John B. Jones, Salomon Brothers' computer analyst. "The question is, 'When do the cuts stop?'"

Last week IBM shares traded at their lowest prices in 17 years, falling as low as 41 1/2 on Tuesday. The shares closed Friday at 42 1/2.

Because expectations for IBM are so low, its shares have been trading below their book value. As a result, IBM's dividend yield has been more than 8.16 percent, a stuporific level for a company with its record of losses.

Contrast that to American Telephone & Telegraph Co., whose

Shanghai Notebook

Shoppers Flout 'Austerity'

Every day, it seems stern new economic edicts emerge from Beijing, where the government has pledged a credit clampdown to help curb runaway inflation and rein in an economy that grew 13.9 percent in the first six months this year.

But if there is an economic slowdown coming in China, no one has told the shoppers of Shanghai. Stores in China's largest city are jammed with consumers, choosing products from an increasingly large range of local and imported goods.

The last time China's economy grew "too hot" — in 1988 when inflation hit 30 percent — consumers turned into hedgers, buying and stockpiling goods and commodities that would hold their value.

Inflation in China's 35 largest cities topped 20 percent in June, but the shoppers here don't appear worried, unless Champagne and expensive European designer watches, widely available on the famous Nanjing Road shopping strip, can be judged a safe place to store money in times of economic turmoil.

No, said one staff member, Chlor Alkali isn't going into aviation: "We just thought it looked like a good picture for an annual report."

Publicity-Shy Petro

China's second, and its largest, public listing of a state-owned company on the Hong Kong stock exchange so far has stirred great international interest, but it appears that Shanghai Petrochemical Corp. isn't quite sure how to handle all the attention.

On Monday, Shanghai Petro lists in Hong Kong, where most investors have taken a wait-and-see attitude to the stock, a sharp reversal from extreme bullishness for any new offering with links to China's booming economy floated this year.

Hong Kong investors' caution — or shortsightedness if you listen to the local underwriters, Peregrine Capital, and Beijing securities officials who have voiced displeasure with a mere 1.7 over-subscription — has sparked a series of debates.

Is Hong Kong still too much of a gambler's market, too "immature" to handle what promises to be a long list of large Chinese industrial stocks likely to require a lot of patience as they embrace the free-market economy?

Or is Shanghai Petrochemical a poorly priced and marketed issue that would never have come to the market without political impetus from Beijing?

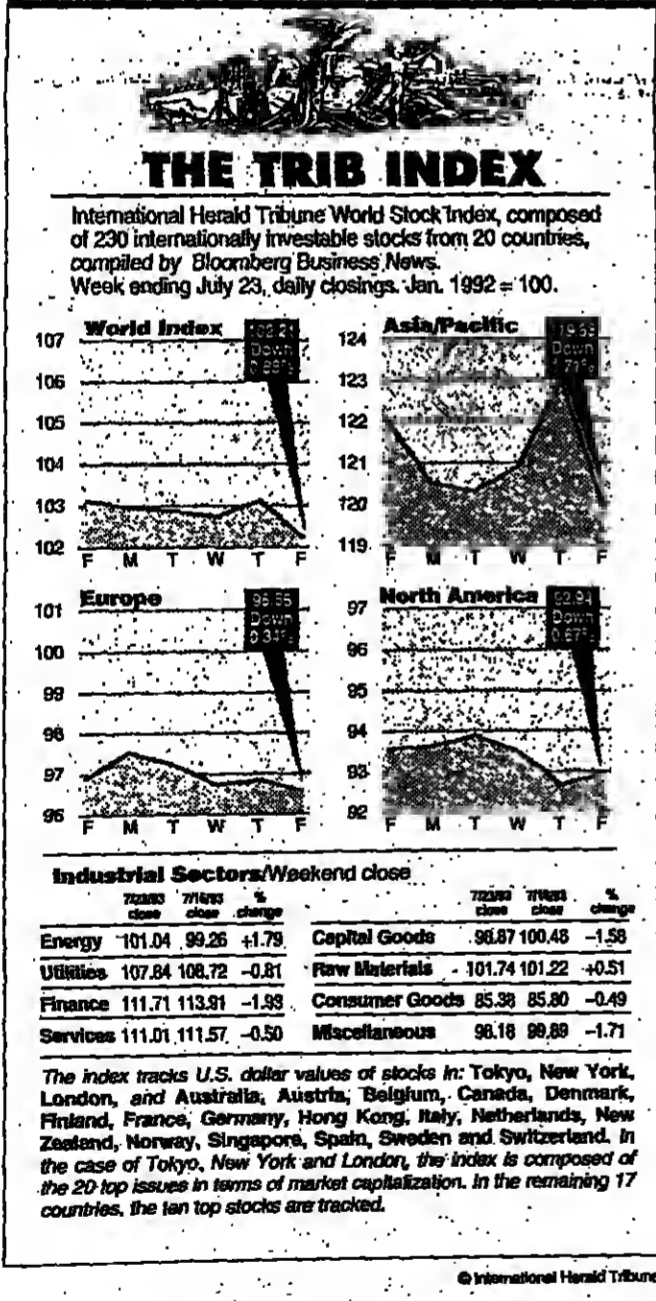
Worrying questions about the continuation of government subsidies for oil and the direction of China's currency stopped some investors in their tracks.

With such topics in mind, a husband of Australian institutional fund managers with a collective portfolio worth \$20 billion left their hotel at the crack of a muggy Shanghai dawn early last week for an interview with the company's management.

However, the group, led by C. H. China Securities, a new joint venture between securities group Hambros Australia, and CITIC Australia, the offshoot of the central government-owned China International Trust & Investment Corp., was unable to make a buy or sell recommendation after a lengthy bus ride.

According to junior officials, every executive and senior manager in the 17-square-kilometer (6.5-square-mile) complex had been called abroad on "urgent" business.

By Kevin Murphy



CURRENCY RATES

Table with columns for Currency, Par \$, and other financial data. Includes sub-sections for Cross Rates, Other Dollar Values, and Forward Rates.

A Chinese Airline Plans to Purchase 5 Airbus A-340s

BEIJING — China Eastern Airlines, a regional carrier, will buy five Airbus A-340 aircraft between now and 1997, the official Xinhua news agency has reported.

The agency dispatch gave no details on price or engine specifications. In January, Philippine Airlines signed a deal with Airbus to pay \$564 million for six A-340s.

The agency said China Eastern Airlines would be the first carrier in China to use the new model A-340, which seats 295 passengers.

Sri Lanka, meanwhile, has put on hold a \$700 million deal to buy Airbus aircraft after a probe was ordered by Prime Minister Digvijaya Banda Wijetunga, a Treasury aide said Sunday. (Reuters, AFP)

INTERNATIONAL BusinessWeek

Advertisement for International BusinessWeek magazine listing topics like 'Why The Industrial Nations Are Stalled' and 'Hard Times For Italy's Dynasties'. Includes contact information for BusinessWeek International.

Kredietbank Says Client Sold It Counterfeit Shares

BRUSSELS — Kredietbank NV has been defrauded of millions of francs by swindlers who sold it fake shares, a spokesman for the bank said over the weekend.

The fraud occurred when the bank bought around 100 million Belgian francs (\$2.8 million) worth of what proved to be counterfeit shares in Tractebel SA, one of Belgium's largest industrial concerns.

A Kredietbank spokesman told Belgian television on Saturday that the shares had been bought at one of its branches from "a good customer with whom we had done similar large transactions."

Separately, in George Town, Cayman Islands, police said they were investigating a company called European Metals Group in connection with the sale of indium to investors in the United States and Canada. Indium is a metal used in fiber optics and window glazing.

In March, the police in Toronto arrested 63 people on fraud charges in connection with the sale of indium and other metals and gems. In that scheme, law-enforcement officials said, sales personnel tried to sell indium for as much as \$80 an ounce, telling prospective investors it would be needed by the automobile and defense industries in North America.

In fact, the price of the metal has been about \$5.60 an ounce for five years, and there is no demand for it in the auto or the defense industry.

Advertisement for WWF (World Wide Fund For Nature) featuring a photo of a young child and text about environmental conservation and education programs.



# Herald INTERNATIONAL Tribune

Published With The New York Times and The Washington Post

## Balcerowicz After Attali

Leszek Balcerowicz is a hero of Polish economic reform. Now he is a candidate to lead the European Bank for Reconstruction and Development, which was formed to spur market reform in Eastern Europe and the old Soviet Union by pumping Western capital into new private enterprise. The bank's board could not make a better choice.

Mr. Balcerowicz helped design and, as minister of finance, institute "shock therapy" following from centralized controls to competitive markets virtually overnight. The shock was shocking: prices temporarily soared, output plummeted in state-owned enterprises and unemployment rose in a country where no one had known joblessness. Frightened Poles (bought him reckless; so did many Western pundits. But Mr. Balcerowicz persisted.

His economic sense told him what needed to be done and his political shrewdness got reform under way. His crackdown on monetary and fiscal excess brought Poland reasonable inflation rates, a stable currency and, therefore, all-

important trading relations with the West. Today, three years after shock therapy began, private enterprise accounts for more than half of the Polish economy. Poland was the only East European economy to grow in 1992 and will probably be the only one to grow this year.

The Polish government has recently recommended Mr. Balcerowicz to replace the discredited Jacques Attali of France as head of the bank. Even though its Western creditors would expect the board to tap another Westerner, Mr. Balcerowicz would be a superior choice.

Under Mr. Attali, the bank wasted money on flights in private jets for its managers and on artwork and marble flooring in its London offices. But it has a potentially historic role to play in helping would-be entrepreneurs set up shop in less than ideal economic conditions. Mr. Balcerowicz knows the region intimately. He has proved that he knows how to make market reform happen. And the board can be sure, he cares little about marble.

—THE NEW YORK TIMES.

## Enforce the Rules on Iraq

When Iraq allowed surveillance cameras to be installed at two missile test ranges last week, that established an important principle. Iraq agreed for the first time to long-term monitoring of its weapons development programs by the United Nations. Don't applaud yet — the cameras haven't been turned on; that awaits further discussions, for no negotiation with Iraq is ever simple. But Iraq's acceptance of the cameras and the purpose that they represent greatly diminishes the tension between Iraq and the United Nations.

The Iraqis suggest that in return it is time to relax the sanctions that bar them from exporting oil. They argue that, with each step they take toward compliance with the Security Council's resolutions, the council ought to ease the sanctions. But the Security Council takes a very different position. It has said repeatedly that the sanctions remain in force completely until Iraq is in compliance completely.

Iraq has a long way to go to reach complete compliance. The United Nations' Special Commission has made good progress in dismantling the installations where Iraq was building nuclear weapons, and it is well along in the enormous job of destroying the huge stores of chemical weapons. But Iraq has yet to turn over the lists of the foreign companies that supplied it with the equipment to make

those illicit arms. Similarly, Iraq has not complied with UN demands for recognition of the Kuwaiti border, the return of Kuwaiti prisoners and respect for the rights of Iraq's Kurds and its other minorities.

Once again, earlier this month, Iraq said that it needs to sell off some of its oil to buy food, medicine and other humanitarian necessities. Two years ago the Security Council extended a standing offer to allow just that — as long as the United Nations could supervise not only the sale but the distribution in Iraq of the supplies it purchased. Iraq has repeatedly denounced those conditions as an intolerable infringement of its sovereignty.

This month, as before, the Security Council has held firmly to its principles. Talk of oil sales seems once again to be fading. The Iraqis keep hoping that the United Nations will get tired of their endless prevarication and go away, but so far that has not happened. The Security Council has correctly put Iraq's future in the hands of the Iraqi government itself. If it ever adopts the normal standards of international behavior, the sanctions will be lifted. Until then it is on parole, and the United Nations will have to keep enforcing the rules that experience has shown are essential to protect Iraq's neighbors and the world.

—THE WASHINGTON POST.

## Home News for the Balkans

As Sarajevo totters, Americans and Europeans can agree to little more than hand-wringing about the dismembering of the former Yugoslavia. Yet without putting lives at risk, and at modest cost, the West could strike an important blow against nationalist bullies in Serbia, Croatia and Bosnia-Herzegovina. It can challenge the media monopoly by the warlords who foment tribal hatreds.

Surveys show that 64 percent of Serbs glean their information from television, 12 percent from radio, 11 percent from newspapers. To be dissent is permitted in print and on radio, but not on television; it only offers a picture of a suffering but wronged people who ardently support President Slobodan Milosevic.

And in Croatia, where the beloved leader is Franjo Tudjman, the evening news ends with this hortatory flourish: "Good night, Croatian fighters, wherever you may be."

Thus chauvinism drowns out dissent, while citizens cower. But there is a chance in the system. Using satellite dishes, householders have for years tuned in to broadcasts from Italy and Austria. What they cannot get is local news coverage in their own languages prepared by independent journalists.

So why can't Western countries pool their resources and make a nightly "Balkan Report" available to more than 500,000 owners

of satellite dishes? This proposal was first advanced in a recent opinion column by Marlene Nadle of the New School for Social Research. She suggests that media entrepreneurs like Ted Turner contribute skills, equipment and satellite time. Foundations and professional groups could support existing independent media in each republic. When a Montenegro democrat was asked what the impact of satellite programming might be, he needed only a single word: "Incredible!"

The other day, he noted, not a syllable was uttered by state-controlled media when Cyrus Vance visited opposition democrats in Montenegro.

The Voice of America has stepped up its Serbian and Croatian language broadcasts; it has leased transmitters to boost signal strength of its medium-wave AM broadcasts. And the U.S. Information Agency has just completed an hour-long documentary, "Crimes Against Humanity," with firsthand accounts of atrocities that brazenly affront world law.

But all these efforts cannot match the impact of regular broadcasts via satellite prepared by local journalists who can restore a human face to a pitiless tribal war. This is the kind of campaign that could be expeditiously launched with a few telephone calls from President Bill Clinton.

—THE NEW YORK TIMES.

## Despotism in Nigeria

The generals clamping down on democracy in Nigeria are making it plain that they do not believe there is a limit to defense against their encroachment. When the apparent winner of last month's presidential ballot, businessman Moshood Abacha, said he would legally challenge the military's decision annulling the election, the dictatorship told the courts to butt out. On Thursday the Nigerian Supreme Court, citing the military's decree, did just that by rejecting Mr. Abacha's lawsuit out of hand. But the generals are clever enough to know that killing off legal challenges will not extinguish democratic urges. So they did not leave off with the emancipation of justice.

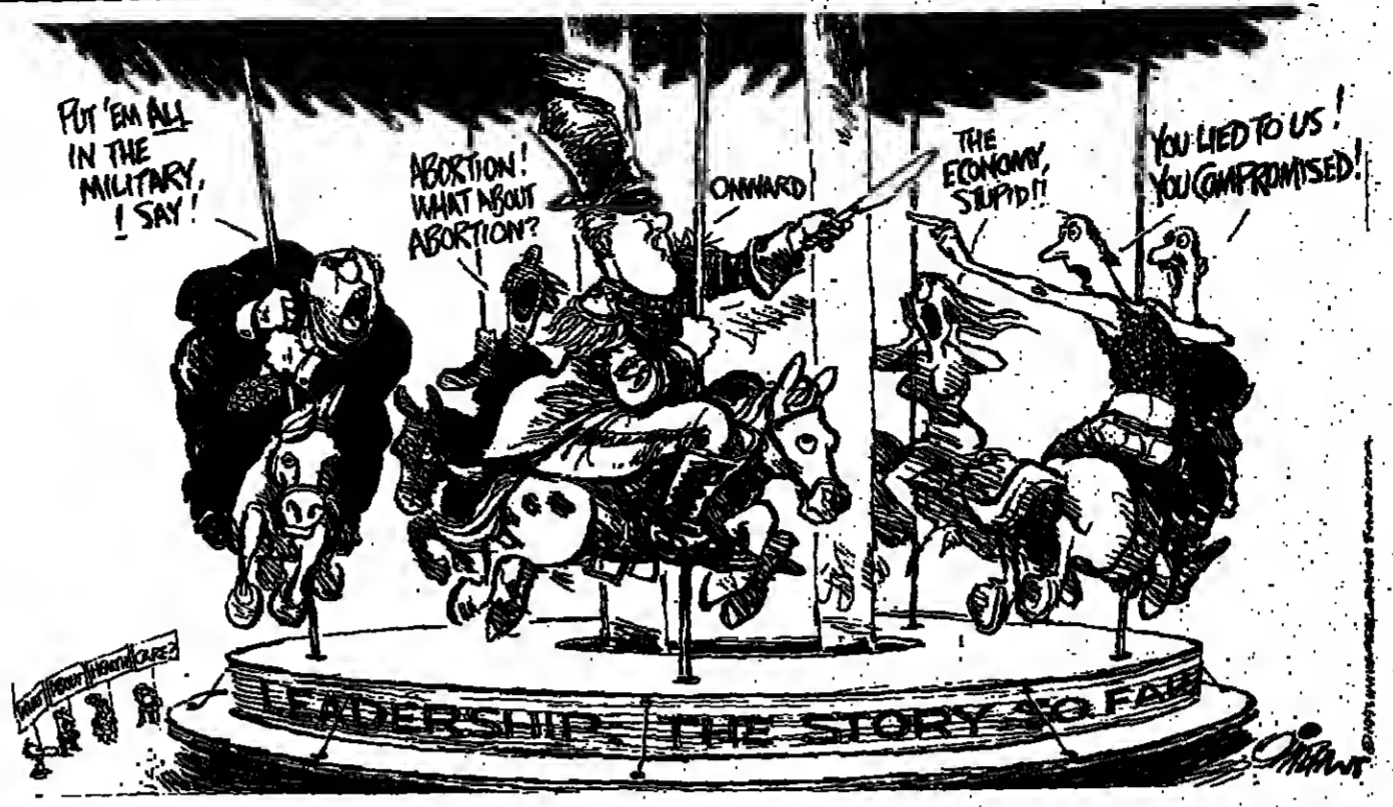
After stifling the courts, the military dealt a body blow to the right of Nigerians to the free flow of information and news. They imposed the tightest muzzle on the press that the country has seen since shedding its colonial status 33 years ago. Today the right to know in Nigeria is the right to whatever General Ibrahim Babangida thinks Nigerians ought to know, and that next to nothing. Security forces have shut down the newspapers and a radio station, armed police have ransacked newsrooms, seiz-

ing printing plates and files, journalists have been arrested — all of the familiar behavior of despots who, at bottom, live in fear of the people they seek to intimidate and subdue.

The worst of it is that the press crackdowns, the manipulation of the courts, abuse of government critics and the like — which the general vainly hopes will suppress the protests — only deepen the crisis. And that is because the source of the crisis is not the protests and street riots that followed the decision to scrap the return to civilian rule. It is the military's display of contempt for popular will that has the country in its worst state in years.

The Nigerian people want to return to democracy and to return the general and his troops to the barracks. The terms for achieving both outcomes are no longer General Babangida's alone to dictate. For a man who has ruled Africa's most populous country since 1983, that is a hard truth to absorb. But the reality is that although he controls the guns, he has paralyzed his country and is losing the respect of the international community. And this time he can't bully his way out of this mess.

—THE WASHINGTON POST.



## Mideast: A Breakthrough Awaits America's Push

By Stephen S. Rosenfeld

WASHINGTON — The news is that Arab-Israeli talks are stalled, but the reality is that the talks are poised for a breakthrough. The key requirement is moving closer to consummation: Israel's understanding that the terms on which the Middle East peace talks were launched in October 1991 do not well serve Israeli interests.

Yitzhak Shamir of Likud, Israel's party of territorial expansion, was prime minister then, and he dictated the terms of what talks opened in Madrid. The Palestine Liberation Organization was excluded from the table, the issue of Jerusalem was excluded from the agenda and West Bank negotiations were split into two phases, the first to negotiate Palestinian autonomy in the West Bank and the second to negotiate its "final status."

The Madrid rules comforted Mr. Shamir, who was eager to get on with hardening Israeli control of the West Bank. Those rules promised to enable Israel to brake any tendency by the American sponsors to press Israel into concessions that he and his party found dangerous and unacceptable. Eager to get the show on the road, the Bush administration agreed.

Yitzhak Rabin of Labor, Israel's party of territorial compromise, then took over the government. His negotiating goals are more moderate, but the talks he inherited are now in precisely the impasse that Mr. Shamir contrived. The Madrid rules have had the Shamir-intended effect of frustrating the Palestinians' nationalist purposes, since, not without reason, the Palestinians fear that autonomy-first leads away from statehood, not toward it.

As a result, the Israelis do not have a viable

negotiating partner, and the peace talks go nowhere.

Hence the cry in Labor, although not everywhere in Labor, to amend the Madrid rules. It would mean opening the door to an increasingly overt role by the PLO and its chairman, Yasser Arafat, instruments of Palestinian nationalism. That would mean finding a place on the agenda of the peace talks for the PLO's platform: a state in the West Bank including East Jerusalem as its capital. The imbalance and therefore the impossibility of the talks so far has been precisely that the Israeli agenda of peace and security is on the table, but the Palestinian agenda of statehood is not; the dead end of Madrid.

Mr. Shamir and, before him, Menachem Begin always said that entering negotiations would put Israel on a slippery slope to a Palestinian state. They were right. Except that, many Israelis now argue, that was a reason not to avoid the slope but to get on it, since in a negotiation Israel could have a powerful say in shaping the conditions of Palestinian statehood, while otherwise it would have to cope indefinitely with the familiar chaos and irresolution.

It is in the newly elected Benjamin Netanyahu's formidable advocate, still preening with chaos, and so do some elements of Labor. They have a territorial appetite and expect no good from Palestinians. They would sooner accept failure in the talks than the kind of success they believe achievable.

I don't pretend to have a good enough feel of the Israeli political scene to know how it goes for the

forces that feel otherwise. But it does seem to me that things are moving along enough in Israel to warrant some sort of American response.

Until now the American attitude to the talks has been to embrace the Madrid process and to wiggle it a bit. That approach has kept the United States in touch with both sides, but has quite failed to produce real progress. The question of the moment is whether it is worth trying to give some diplomatic support to Israelis who are taking a second look at Madrid, or whether such a well-intentioned effort would more likely run out to be provocative, exploitable by Likud and counterproductive.

The guiding consideration ought to be that the impulse for change is arising from the Israelis, the people to whom the deepest American obligations in the Middle East rim. Tactics need rigorous tending. But how could Washington fail to encourage a development in Israeli analysis and opinion that moves things in a direction consistent with American interests?

The buzz in the Middle East, *bazaar* is about the matter of higher-level American participation in the peace negotiations. Secretary of State Warren Christopher, heading out to the Middle East, has explicitly affirmed the Madrid rules. But it is not the level of American representation that matters most but the ideas the parties bring to the table.

Mr. Shamir's hedges have dominated the 10 rounds of negotiations, including the five conducted by his successor, Mr. Rabin. It is tantalizing that Israelis are recognizing where the trouble lies. It would be tragic if Americans did not.

The Washington Post.

## China: Superpowerdom Isn't Around the Corner

By William Pfaff

PARIS — The economic and geopolitical policymakers of the Clinton administration have their attention focused on the Pacific basin. This reflects the conventional wisdom, but the assumptions that lie behind this are not as solid as they commonly are made out to be.

They take for granted that China will be a superpower in the near future and will challenge Japan as its economic dynamism as well as its military power and geopolitical claims.

The scale of the military and political ambitions of China today is certainly large, and continuation of China's rapid economic growth is a defensible assumption. However, the U.S. government and American elites have always possessed a faith, at times near-obsessional, in the double-edged sword of the Chinese: that China will be a superpower in the near future and will challenge Japan as its economic dynamism as well as its military power and geopolitical claims.

The scale of the military and political ambitions of China today is certainly large, and continuation of China's rapid economic growth is a defensible assumption. However, the U.S. government and American elites have always possessed a faith, at times near-obsessional, in the double-edged sword of the Chinese: that China will be a superpower in the near future and will challenge Japan as its economic dynamism as well as its military power and geopolitical claims.

ident of the republic established in 1911, and the wife of Sun's successor, Chiang Kai-shek, were converts to American Protestantism.

China was made one of World War II's "Big Four" by Franklin Roosevelt because of this American confidence in China's future, which by the 1940s had become a belief that while China might not become Christian it would certainly become under American sponsorship, a democracy.

Today's American missionaries to China are preachers of capitalism and democracy. But China was a highly successful commercial society centuries before the United States existed, and politically it has always been, except in periods of dynastic decline or change, what it remains today: a centralized, bureaucratic, authoritarian "imperial" system.

It is sentimentality to say that capitalism will inevitably bring democracy to China. Democratic reform has accompanied capitalist development in some places in the world, while capitalism has flourished elsewhere under authoritarian regimes, as it does in Singapore, Taiwan and Thai-

land today, and as it did in South Korea until recently. China's intention with respect to Hong Kong clearly is to deprive it of democracy. It is pure speculation to say that China today is on the way to democracy.

The sheer size and population of China must not be confused with economic power. Comparisons of national economies are difficult for many reasons, and in China's case no one really knows what its GDP may be, or the real scale of economic change across its vast territory. Western specialists working with the available data suggest that China's present GDP — its actual economic weight, on international comparisons — is about a third that of contemporary Italy.

The International Institute for Strategic Studies, in its latest survey of the world's nations, proposes for China a GDP figure equivalent to \$371 billion in 1991, the latest year for which internationally comparable figures are available. The equivalent figure for Spain is \$527 billion. For Italy it is more than \$1 trillion.

The Pacific basin figures poorly, compared with North America and Western Europe. Take the four "biggers" of Asia: South Korea, Taiwan, Thailand and Hong Kong. All together, their mass GDP is roughly that of Spain plus Portugal. Add mainland China to the total and you have an economic and industrial aggregate about the size of Italy or Britain.

I have found in the past that people in the United States simply do not want to believe these figures. Even sophisticated Americans have a picture in their minds of a huge and dynamic Asia led by Japan and China, on its way to dividing up the global economy with the North American giant — poor Europe left behind. I can only say to them: look it up: in the IISS figures, World Bank reports or any other serious source of international economic comparisons.

The 12 nations of the present European Community had in 1991, all together, a collective GDP well above \$6 trillion, and of course the total is more than that today. The 1991 figure for the United States was \$5,674 billion. For Japan it was \$3,363 billion. For India, \$251 billion. The Dutch economy alone, at \$284 billion, is higher than India's — with the Dutch population one-sixth that of India. Indonesia's GDP is \$117 billion; Belgium's is \$202 billion.

The average economic growth rate in the Asian economies certainly is much higher than that of the United States or North America's today, but this also is characteristic of developing economies. Twenty-five years ago high growth rates in Eastern Europe, as economies there began to move.

There is no question about Asia's being a mounting and increasingly significant force in the global economy. But today — Japan aside — it remains a distinctly minor factor, by comparison with either North America or Western Europe. The policy of the U.S. government should be addressed to present realities, not to what speculation says the situation might be in the mid-21st century.

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## A Welcome Deal to Live and Let Live

By Jim Hoagland

WASHINGTON — For the American military the debate on gay rights is over, General Colin Powell says with the crisp finality of a commander accustomed to having his predictions hardened into fact on the double.

"It will drop off the screen quickly. An 'or else' hangs in the air.

General Powell does not put a comma wrong when he intends to communicate what he wants to the sergeants, warrant officers and unit commanders who make up the central nervous system of the military. His words strip away the protective cover that has existed until now for inquisitions and harassment of gays in the military, even those who play by the rules.

His words of support are a concession to a young president who pushed him to come up with a better deal for gays. It is a concession that should not be underestimated, either in impact or in cost. It touches a vital point for General Powell: the military's ability to control its own self-image. That is what he has fought hard to protect.

Speaking at a breakfast meeting with reporters the day after President Bill Clinton announced his "Don't ask, don't tell, don't pursue" policy, the chairman of the Joint Chiefs of Staff sounded like a man eager to get back to the less politically exposed ground of nuclear strategy, force structure and NATO readiness. You could hardly blame him.

But General Powell and Defense Secretary Les Aspin loyally disputed a questioner's premise that following up on and modifying Mr. Clinton's campaign pledge had been a terrible distraction from more important tasks.

The debate, General Powell said, had made him, the Joint Chiefs and

ject in the workplace, which in the armed forces is not simply the office.

Mr. Clinton and Mr. Aspin were not able to get General Powell to bless a policy that went that far, one closer to the president's desire for a "Don't ask, don't shout" approach.

"Don't ask, don't shout" would have let military gays "quietly acknowledge their presence without flaunting it," Mr. Aspin said.

At the heart of Mr. Clinton's 1992 pledge to eliminate the ban on homosexuality in the military is the implicit notion that the professional military is increasingly a career like any other. It should be subject to the standards and demands of civilian society.

The end of the Cold War and the shift to an all-volunteer force reinforces this trend. The military no longer transmits its values into civilian institutions, as was the case for much of the period following World War II; instead, civil society increasingly tries to remake the military to reflect its own diversity.

General Powell resolutely resists the outside push for control of the self-image of the military. "We are unique," he counters. "We are not like the fire department or the police department." Commanders who have to send units into harm's way and fight wars must have a great deal of latitude in forming those units.

The general goes on to say it is that latitude that will make "Don't tell, don't ask" work. He has added an important codicil to the language of the proposal unveiled by Mr. Clinton. The Powell codicil should be respected by Congress, reaffirmed by his successor and observed by unit commanders and gays in the military. It is the simple addition to "live and let live."

The Washington Post.

receiving no reply, took the responsibility of putting him to death without trial. He was taken to the parade ground, where the President of the Soviet read the sentence. Nicholas was perfectly calm. His courage never left him and, completely master of himself, he took his stand before the ten Red Guards and awaited death.

1943: Mussolini Is Out  
LONDON — [From our New York edition.] Dictator Benito Mussolini resigned tonight [July 25] as President of Italy and King Victor Emmanuel III, in a possible bid for peace with unshaking Allied armies, assumed command of Italian forces for a "stand against those who have wounded the sacred soil of Italy," Marshal Pietro Badoglio, former chief of staff and never an admirer of Fascism, who came out of retirement to succeed Mussolini as head of a military government, was accorded "full powers" by the King to do what is best for a war-shattered country.

1918: Tsar's Last Hours  
STOCKHOLM — Svenska Dagbladet has details of the execution of the late Tsar Nicholas. Trotsky, having refused consent for the execution, the Tsar was taken to an estate near Ekaterinburg. He was brought into the town where, it is understood, the Ural Soviet had discovered a Monarchist plot. The Soviet again applied for authority to execute the Tsar and

## Food Output Has Stopped Keeping Up

By Lester R. Brown

WASHINGTON — When the history of the last half of this century is written, population growth is likely to get far more attention than it does now.

Those of us born before mid-century have witnessed unprecedented worldwide rises in incomes, steady gains in food consumption and a dramatic extension of life expectancy. But this golden age may be coming to an end for reasons that we do not well understand. And that is what will fascinate historians.

After midcentury, the world's farmers more than doubled the grain harvest, something that no previous generation had done. Raising the harvest from 631 million tons in 1950 to 1,650 million tons in 1984, it increased grain production by 40 percent per year, reducing hunger and malnutrition around the world. Since 1984, however, grain production has fallen behind population growth, falling by roughly 1 percent a year.

An even more abrupt slowdown is restricting supplies of seafood, the world's principal source of animal protein. From 1950 to 1983, the world catch climbed from 22 million to 100 million tons. As a result, we have enjoyed a doubling of seafood consumption per person.

Since 1989, however, the catch has declined — to an estimated 97 million tons in 1992, or 8 percent per person. For some time, marine bio-

## Growth in the area planted in grain came to a halt in 1981.

logists at the United Nations Food and Agriculture Organization have warned that the oceans could not sustain a catch of more than 100 million tons a year.

With grasslands, the other natural system on which we depend heavily for animal protein, demands are also straining the limits on every continent. From 1950 to 1990, world production of beef, most of it from grasslands, went from 19 million to 53 million tons. Since 1990, production has dropped by more than 2 percent. Mutton, the other grass-based meat, has followed a similar trend.

Marine biologists and rangeland agronomists had warned that these natural systems were being pushed ever closer to their limits. The slowing growth in grain output was somewhat less predictable, but growth in the area planted in grain came to a halt in 1981.

Two other trends are partly responsible. First, the growth of irrigated areas, after more than doubling from 1950 to 1978, fell behind population growth. Since 1978, the irrigated area per person has shrunk by 7 percent.

Second, the growth of fertilizer use, the engine that drove the growth in food output, is slowing. Fertilizer use increased ninefold from 1950 to 1984, but since then has increased little. In agriculturally advanced countries, applying more fertilizer now does little to raise output.

As growth in fertilizer use has slowed, so has growth in the world grain harvest. And there is no new technology in prospect that will enable farmers to restore the 3 percent annual growth in grain production that prevailed from 1950 to 1984.

This is a matter of deepening concern. Last year the National Academy of Sciences, in Washington, and the Royal Society, in London, issued a report that warned: "If current predictions of population growth prove accurate and patterns of human activity on the planet remain unchanged, science and technology may not be able to prevent either irreversible degradation of the environment or continued poverty for much of the world."

The world has quietly entered a new era, one in which satisfying the food needs of 9 billion more people each year is possible only by reducing consumption among those already here.

The only sensible option may now be an all-out effort to slow population growth. The first step is to fill the family-planning gap by expanding services. But unless the world can go beyond that and attack the conditions that foster rapid population growth — namely, discrimination against women and widespread poverty — reversing the decline may not be possible.

The writer, president of the Worldwatch Institute, an environmental research group, is co-author of "Vital Signs 1992: The Trends That Are Shaping Our Future." He contributed this column to The New York Times.

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New International Bond Issues

Table with columns: Issuer, Amount (millions), Maturity, Coupon, Price, and Terms. Includes sections for Floating Rate Notes, Fixed-Coupons, and Equity-Linked.

Market Awaits Data on Economy

NEW YORK — The U.S. credit market this week is anxiously awaiting a hefty dose of fresh data and monthly report of two-year and five-year notes.

U.S. CREDIT MARKETS

traders cheapen prices before the Treasury sells \$16 billion in two-year notes on July 27 and \$11 billion in five-year notes on July 28.

CUBA: A Nod to Dollar

Continued from Page 1 to allowing farmers to sell some produce privately rather than to the state.

Mr. Castro experimented in 1986 with such farmers' markets, which quickly became popular but shut them down as ideologically impure.

Little could be more dangerous to the Marxist leadership than the decision on dollars. Almost since the triumph of the revolution, holding foreign currency has been a crime punishable by a fine and imprisonment.

Although the Cuban peso and the dollar supposedly trade on par, the black market rate has shot up to 60 to 1.

Dollars have already proven divisive here over the last seven years as Cuba attempted to revive tourism. The visitors' foreign exchange can be spent only at resorts and in "diplomatic shops" closed to Cubans — a major source of resentment.

Now the government is catering to those with access to dollars — such as writers who get tips in foreign-currency restaurants — but more importantly those Cubans with relatives in the United States.

Mr. Lage said a network of stores would be set up across the country to sell goods in dollars.

The barriers to the use of dollars began to crumble almost immediately after Mr. Castro spoke, setting off a wave of buying by Cubans at the previously off-limits "diplomatic stores."

Until recently, the parking lots of the dollar stores held a few cars with diplomatic license plates. Guards often checked documents at the entrance to verify that the person entering was, in fact, a foreigner.

Even though it is still technically illegal to hold dollars, the parking lots were filled with cars with Cuban license plates and documents were not checked.

Scores of Cubans were inside, buying cartloads of things no longer available on shelves in the state-run stores, including meat, chicken, beans, cooking oil and rice.

When I first heard what Fidel said, I came with a dollar to buy a pack of cigarettes to see what would happen," one shopper said. She got the cigarettes. "So I went back with \$10 and bought more things. Nothing happened. So now I am buying everything I can in case they change their minds."

The influx of Cubans into the stores prompted a complaint from diplomats, who succeeded in getting the stores to maintain check-out counters just for diplomats so they would not have to spend much time doing their shopping.

Earlier, The New York Times reported from Washington: The Clinton administration has decided to permit U.S. telephone companies to expand communications links to Cuba and share some of their revenues with the Castro government.

The move is a response to a surge of calls through Canadian-based companies that relay telephone calls from the United States to Cuba, evading the embargo and charging higher rates.

The regulations would allow U.S. carriers like AT&T, MCI and Sprint to share with Havana the proceeds from telephone charges.

Euromarkets At a Glance

Table with columns: Country, Yield, and other financial metrics for various European markets.

Weekly Sales July 22

Table with columns: Country, Sales, and other metrics for weekly sales.

The Week Ahead: World Economic Calendar, July 26 - 30

Table listing economic events, forecasts, and market movements for various countries from July 26 to 30.

Boeing to Shelve Venture In Japan, Report Says

TOKYO — A Japanese newspaper said Boeing Co. planned to postpone indefinitely its joint project with Japanese companies to develop a 150-seat passenger plane.

Asahi Shimbun reported Saturday that the American aircraft maker, in a written reply to questions submitted to it by the newspaper, said there was insufficient demand for such a plane.

There was no comment from Boeing over the weekend, and Japanese officials were not available for comment.

Boeing agreed in 1984 with the Japanese aircraft builders Mitsubishi Heavy Industries Ltd., Kawasaki Heavy Industries Ltd. and Fuji Heavy Industries Ltd. to develop the plane, to be called the B-7J7.

But work on the jetliner, originally intended as a successor to the Boeing 737, failed to start on schedule several years ago amid concern the project would not be profitable.

With many big airline customers struggling to recover from three years of record losses, Boeing announced plans in January to slash aircraft production by an average of one-third until mid-1994.

Last Week's Markets

Table showing stock indexes, money rates, and other market data for the previous week.

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Herald Tribune



WEEKLY INTERNATIONAL BOND PRICES

Provided by Credit Suisse First Boston Limited, London, Tel: 322 40 00. Prices may vary according to market conditions and other factors. July 23

Canadian Dollars

Table of Canadian bond prices with columns for Issuer, Con, Mat, Price, Yld, and Sd. Includes entries for various Canadian government and corporate bonds.

ECU Straights

Table of ECU straight bond prices with columns for Issuer, Con, Mat, Price, Yld, and Sd.

Pound Sterling

Table of Pound Sterling bond prices with columns for Issuer, Con, Mat, Price, Yld, and Sd.

Van Straights

Table of Van Straights bond prices with columns for Issuer, Con, Mat, Price, Yld, and Sd.

Yen Straights

Table of Yen Straights bond prices with columns for Issuer, Con, Mat, Price, Yld, and Sd.

MUTUAL FUNDS

Figures as of close of trading Friday, July 23

Large table of mutual fund prices and performance data, including columns for fund name, price, and other metrics.

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# MONDAY SPORTS BASEBALL

## Red Sox Win 10th Straight in 8-1 Thrashing of Athletics



Mark Hutton: "This is totally incredible."

### Down Under Helps Yankees Get to Top

Mark Hutton's day began as a member of the Triple-A Clippers in Columbus, Ohio. His night ended in first place in the American League East with a victory over the All-Star Game's starting pitcher at Yankee Stadium.

Hutton, the first Australian pitcher to start a major league game, outpitched Mark Langston as New York beat the California Angels, 5-2, Friday night.

"I guess it surprised me to be called up in a pennant race," Hutton said. "This is totally incredible. There's not a word to explain it."

With two Australian television stations recording the historic night and one even planning to televise the news nationally, the 23-year-old did not disappoint.

He held the Angels to three hits in eight innings, struck out five and walked four, relying mostly on a fastball.

General Manager Gene Michael said Hutton was ready for the majors a month ago, and the Yankees were thrilled with his first outing.

They desperately hope the 6-foot, 6-inch (1.98-meter) right-hander will help provide the boost their staff needs to shake free from the crowd of teams atop the American League East.

Does Hutton think he will be a fixture in the rotation?

"I damn well hope so," he said, his Australian accent dripping with confidence. His next scheduled start is Wednesday in Detroit.

Signed for \$15,000 as an 18-year-old free agent in 1988, Hutton decided to play baseball instead of Australian rules football.

He is the fifth Australian to get to the majors. Joe Quinn played for five clubs between 1884 and 1901; Graeme Lloyd, a pitcher, and Dave Nilsson, a catcher, are now playing for the Milwaukee Brewers, and Craig Stimpney is an infielder with the San Diego Padres.

(NYT, AP)



Anthony Young wondered why after walking in a run to boost his record losing streak to 27.

## Justice and Braves Rough Up the Pirates' Pitchers in 13-1 Victory

David Justice went 4-for-5 with three RBIs and the Atlanta Braves, their offense sparked since trading for Fred McGriff, finished a weekend demolition of Pittsburgh's pitching with a 13-1 romp on Sunday.

The Braves outthrew the Pirates 21-4, giving them 67 hits overall as they took three of four in the series in Pittsburgh by outscoring the Pirates, 37-17, the weekend before, the Braves had just 21 hits in four games while winning three of four from Pittsburgh before trading for McGriff.

Since dealing for McGriff, the Braves are 5-1 with 92 hits — an average of 15.3 per game — and are averaging 9 1/2 runs per game. McGriff didn't homer Sunday, going 1-for-4, but has four of the Braves' 15 homers in their last six games.

The Braves didn't spare any of the Pirates' five pitchers, including starter Randy Tomlin (3-7), who surrendered nine hits and seven runs in 2 1/2 innings. Jeff Blaser hit the Braves' eighth homer of the series and Mark Lemke went 2-for-4 with two RBIs to finish the series 11-for-17.

Terry Pendleton had two doubles and Bill Peacock, a late-inning replacement, had a double and an RBI triple. Even pitcher Tom Glavine (12-4), who pitched four-hit ball over seven innings, had a two-run double.

The Braves took a 2-0 lead in the first on Blauser's homer and Justice's RBI single. They made it 3-0 in the second and 7-0 with a four-run third that included Glavine's double, which chased Tomlin.

The Pirates' only run came on Lonnie Smith's third homer of the season in the sixth.

**In Saturday's games:** Braves 11, Pirates 6: In Pittsburgh, McGriff's fourth home run in five games with Atlanta helped the Braves out-homer the Pirates. Deion Sanders, who went 4-for-6, Ron Gant and Pendleton also homered for the Braves. Ben Shelton, Carlos Garcia and Dave Clark connected for the Pirates, who had hit just one home run in their previous 11 games. Steve Bedrosian fired all five batters he faced for his first victory since Aug. 21, 1991, while with Minnesota. Bob Walk took the loss.

Dodgers 5, Mets 4: Anthony Young lost his 27th straight decision, extend-

ing his major league record, when he walked home the winning run with two outs in the 10th in Los Angeles and gave the Dodgers a 5-4 victory over New York. Young took over to start the eighth with the score tied at 4. His last victory was on April 19, 1992, and his losing streak started shortly thereafter, on May 6.

Giants 5, Phillies 4: In San Francisco, Matt Williams hit a three-run homer for the Giants' victory in a game between the National League's division leaders. Philadelphia's starter, Ben Rivera, had a 4-2 lead when he walked Robby Thompson and Will Clark starting the fifth. Williams followed with his 23rd homer, driving a 2-1 pitch into the center-field bleachers.

Cubs 7, Astros 6: Derrick May drove in three runs with a first-inning double and Chicago, playing at home,

stopped a five-game losing streak. Houston scored four runs in the bottom of the ninth on Rick Parker's single and pinch-hitter Chris James' three-run homer off Randy Myers. Myers then retired Craig Biggio on a flyout and Scott Servais fouled out to first.

Marlins 2, Reds 0: In Miami, Ryan Bowen pitched eight scoreless innings and drove in the go-ahead run to lead Florida over Cincinnati. Bowen struck out a career-high eight batters before being relieved by Bryan Harvey. Harvey got the final three outs for his 28th save in 30 chances. In the third inning, Bowen followed Walt Weiss's double with his first double of the season, off the left-field wall.

Padres 11, Expos 4: In San Diego, rookie Tim Worrell allowed three hits over eight innings for his first major

league victory as the Padres ended a string of eight straight losses to Montreal. Worrell gave up three runs — two earned — in his fifth start since joining the Padres on June 24 from Class AAA Las Vegas. Ricky Gutierrez put San Diego ahead, 4-3, in the fifth with his second homer of the season.

Rockies 9, Cardinals 8: In Denver, Charlie Hayes drove in four runs, including a three-run homer, leading Colorado past St. Louis before a crowd of 71,784 — the largest crowd for a night game in National League history. The crowd, the Rockies' third sellout of the season, eclipsed the previous NL standard for a night game of 67,550, set April 12, 1990, in the Los Angeles Dodgers' home opener against the Chicago Cubs. The major-league night-game record is 78,382 set in 1948 when Cleveland hosted Chicago.

Moore previously had three two-hitters while pitching for Seattle. The shutout was the 14th of his career. Wally Joyner's one-out single in the second was the only hit off Moore.

Brewers 7, White Sox 3: In Chicago, Tom Lampkin and Tom Brunansky hit consecutive home runs in a four-run sixth, leading Cal Eldred and Milwaukee to victory.

Greg Vaughn led off the sixth with a triple and scored on a single by Dave Nilsson. Lampkin followed with his third homer and Brunansky hit his fourth for a 5-3 lead before Bobby Thigpen came in to strike out the side.

Milwaukee scored an unearned run in the first when B.J. Surhoff tripled with two outs and scored when third baseman Robin Ventura booted Vaughn's grounder for an error.

**In Saturday's games:** Blue Jays 5, Rangers 1: John Olerud went 3-for-4 with two doubles and raised his batting average to .402, leading Toronto to victory in Arlington, Texas. Olerud hit a two-run double that capped a four-run eighth inning. He has a 12-game hitting streak, and has gone 6-for-10 in three days against Texas.

Red Sox 5, Athletics 3: In Boston, Aaron Sele improved his major-league record to 4-0 and the suddenly muscle-bound Red Sox hit three homers to beat Oakland. Boston's consecutive home runs from Scott Cooper and Ernest Riles in the sec-

### AL ROUNDUP

tie for the major-league lead in home runs, and Kenny Lofton hit a tiebreaking sacrifice fly in the eighth inning for the Indians' victory over Seattle.

Ken Griffey Jr. set a Mariners record with his two-run homer in the fifth, giving him one in each of the last six games and tying him with Belle for the American League lead. He's two away from the major-league record of eight consecutive games with a home run, set by Dale Long of Pittsburgh in 1956 and matched by the Yankees' Don Mattingly in 1987.

Griffey's 28 homers — which also tied him with the Giants' Barry Bonds — are a career high. He hit 27 last year.

Tigers 3, Royals 0: In Detroit, Mike Moore pitched a one-hitter to end a six-game winless streak. It was the first complete game of the season for Moore (6-5), who went 0-2 with an 8.89 ERA through his dry spell.

### NL ROUNDUP

even had a double and an RBI triple. Even pitcher Tom Glavine (12-4), who pitched four-hit ball over seven innings, had a two-run double.

The Braves took a 2-0 lead in the first on Blauser's homer and Justice's RBI single. They made it 3-0 in the second and 7-0 with a four-run third that included Glavine's double, which chased Tomlin.

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### NASDAQ NATIONAL MARKET

OTC Consolidated trading for week ended Friday, July 23.

Table listing various OTC stocks with columns for company name, price, and volume. Includes companies like American International Group, American Mutual Group, etc.

Main NASDAQ National Market table listing numerous stocks with columns for company name, price, volume, and change. Includes major companies like Boeing, General Electric, IBM, etc.



RUBLE: Russian Withdrawal of Old Currency for New Provokes Alarm

Continued from Page 1

privatization and stabilization." He called the Central Bank's actions "hard-headed and cruel," and said it showed "Soviet-style thinking."

He said he hoped that Mr. Yeltsin would come down on the side of reformers and that the acting director of the Central Bank, Viktor V. Gerashchenko, who has been feud-

ing with Mr. Fyodorov and other market reformers, would be dismissed from his post by the time the dust settled.

Under Russia's current, much-criticized Soviet-era Constitution, the Central Bank reports directly to parliament.

Mr. Fyodorov has in the past described the severe and ongoing battles within the government of

Prime Minister Chernomyrdin, between those who favor Western-style economic reforms, including tighter controls to control Russia's high inflation, and the Soviet holdovers who run most of the bureaucracy.

Even in his own Finance Ministry, Mr. Fyodorov has said, there were many officials who did not understand the market economy. Mr. Chernomyrdin himself is an industrialist imposed on Mr. Yeltsin by the parliament after the acting prime minister, Yegor T. Gaidar, was forced to resign late last year.

Supported by Western governments, multilateral institutions and advisers like Mr. Sachs, Mr. Fyodorov and the young reformers in the government have had good access to Mr. Yeltsin's ear and have won many of the arguments over economic and financial policy.

On Saturday, the Central Bank shocked Russians and other countries of the former 15-republic Soviet Union by announcing the with-

drawal from circulation by Monday of all banknotes printed before 1993.

Russians may exchange up to 35,000 rubles each of older notes — only \$34 — before Aug. 7 at banks, which is likely to create long lines. Any further amounts must be put on deposit with the bank and frozen for six months at a rate of interest significantly below the current rate of inflation.

Individual Russians, who are paid in cash and use it for nearly all purchases and payments, are the most likely to be hurt. Though Central Bank officials said that, on average, Russians would have less than 25,000 rubles of old notes on hand, many Russians planning a major purchase soon would have stockpiled many more.

Western diplomats said the Central Bank would probably not achieve its main goal of rapid control over the money supply. Business people, both legal and illegal, will find ways around the restrictions, they said.

Clinton Sees Private-Sector Role in Russian Aid

By Steven Greenhouse

New York Times Service

WASHINGTON — Revising its aid proposals for the former Soviet Union, the Clinton administration has told the Senate that it wants to get American companies more involved in efforts to build a private sector and that it wants more money allocated for republics other than Russia.

The new proposal came in the form of a request for \$2.5 billion, sent to the Senate last week, to carry out the administration's aid pledges for Russia and the other former Soviet republics.

The administration's request calls for larger sums for loan guarantees to be administered by the Export-Import Bank and the Overseas Private Investment Corp. This would provide opportunities for American businesses as well as a more direct route for help to fledgling Russian companies.

Under that agreement, the United States pledged a \$125 million grant to help privatization and \$250 million in export credits, much of which will be used to push American industry to get more involved in helping the republics.

"A very heavy emphasis throughout our program is to help not just Russia but also American businesses that want to get involved there," said Strobe Talbott, the administration's special adviser for Russia and the other republics.

The plan sent to the Senate involves \$1.8 billion that the United States pledged to the former Soviet Union in April when the finance and foreign ministers from the seven wealthiest nations met in Tokyo. It also includes an additional \$700 million in aid sought by the administration for fiscal 1994.

One focus of the program will be to help revive Russia's worn-down oil and gas industry, which American officials say can someday be a much larger source of hard-currency exports.

"One of the biggest areas we will be involved in is oil and gas," said Kenneth Brody, chairman of the Export-Import Bank.

Much of the money from the Export-Import Bank and Overseas

Private Investment Corp. is used to encourage American investment in Russia and to help Russian enterprises buy American goods and services. For instance, a Russian oil drilling enterprise might purchase that will make it more efficient.

According to administration officials, every \$1 billion in American exports to Russia could create as many as 20,000 jobs in the United States.

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NASDAQ NATIONAL MARKET

OTC Consolidated trading for week ended Friday, July 23.

Sales in 100s High Low Close Chgs

Table with columns for Sales, High, Low, Close, and Chgs. Lists various OTC securities and their trading data.

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MUTUAL FUNDS

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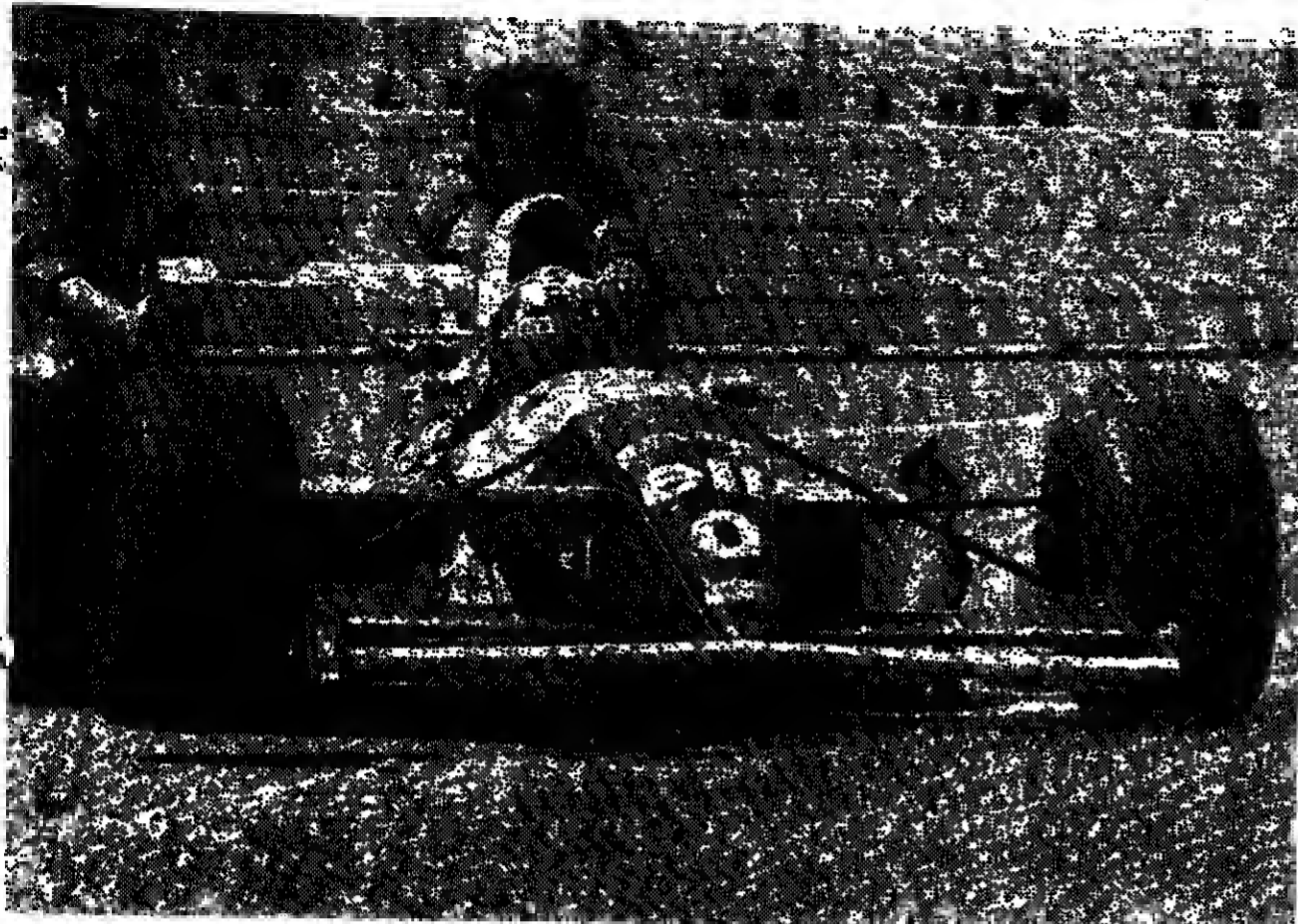
NATIONAL MARKET

سوق من الأصل



# MONDAY SPORTS RACING

## Prost, With Luck, and Indurain, With Ease, Just Keep on Winning



Damon Hill in his Williams-Renault being pushed off the track; he led for 43 laps before a tire blew, then finished the race in 15th place.

## Spaniard Takes His 3d Tour de France Title in a Row

By Samuel Abt  
International Herald Tribune

PARIS — Christelle Vinchon, who has been closer than most people to Miguel Indurain the last couple of weeks, never questioned his confidence that he would win the Tour de France for the third successive year.

"He's been more and more relaxed every day," she said. "Lately he's been so at ease." Vinchon, a 25-year-old aspiring graphic artist, has spent the three-week Tour working for the Crédit Lyonnais bank, which sponsors the overall leader's yellow jersey. With two other pretty young women, she stands on the bicycle race's victory podium to present the jersey after each stage, to kiss the leader on both cheeks and to smile feigningly with him for the photographers.

"I'm on the podium every day and, for a long time now, so is he," she said the other day. She was up there on the victory podium again Sunday and, as hundreds of thousands cheered and as dozens raced along the chilly and sometimes showery Champs-Élysées with Spanish flags, so was he.

In what is becoming a Parisian tradition for one of the last Sundays in July, Indurain again accepted the final yellow jersey, dozens of kisses and a check for 2 million francs (\$360,000) from a total prize list of 11 million francs. At a daily rate of 5,000 francs, he won 65,000 more francs for wearing the jersey for the final 13 days of the race.

The prizes will be shared with his Banesto teammates and officials, according to custom. The kisses Indurain gets to keep for himself.

"Such a nice fellow," said Vinchon. "And he speaks French so well. We just make small talk. 'Bravo, well done. Tired? See you tomorrow.'" She will have to wait until next year. Monday, the Tour champion is to head home to Navarra Province in northern Spain, to his parents and sisters and to Mrs. Miguel Indurain, whom he married last fall.

The rest of his Banesto team, including his brother, Prudencio, is returning home then, too. And his teammates will also go as conquering heroes, as a team that was underrated and performed admirably as its leader swept to victory again, tying him with Greg LeMond, Louison Bobet and Philippe Thys at three triumphs each. Nobody has four although three riders — Jacques Anquetil, Eddy Merckx and Bernard Hinault — have five each in the world's greatest bicycle race.

Indurain completed the 3,700-kilometer (2,311-mile) Tour on Sunday as a runaway winner in a total time of 95 hours, 57 minutes, 9 seconds. That translated into a speed of 38.7 kilometers an hour, the fifth fastest in 80 Tours. Second to the Spaniard, 4:59 behind, was Tony Rominger, a Swiss with the CLAS team, who vaulted from fourth place by impressively winning a long time trial on Saturday. Third was Zdenek Jaskula, a Pole with GB-MG, 5:48 behind. Fourth, 7:29 back, was Alvaro Mejia, a Colombian with Motorola, who dropped from



Miguel Indurain, on the podium Sunday, after his victory in the Tour de France.

was content to stay in the middle of the pack, finishing 81st.

Afterward he summed up the entire Tour: "It was a little harder than the last one because there were more mountains."

The king of those mountains, Rominger, won the polka-dot jersey of the best climber, followed by Claudio Chiappucci, an Italian with Carrera, and Oliviero Rincón, a Colombian with Amaya. Abdoujaparov won the green jersey of the points leader, followed by Johan Museeuw, a Belgian with GB-MG, and Scianari.

Indurain? He got the yellow jersey, the one that really counts.

So the 80th Tour ended, and the big winners were Spaniards, of course, plus Italians, the Swiss, Danes, Americans and the mighty Uzbek delegation, to wit, Abdoujaparov.

If there were winners galore, there were also some greatly disappointed riders and teams, perhaps even countries.

Belgium was high among them. Its one entry, the Lotto team, was never a factor and the Belgian triumphs, including two stage victories and a short stay in the yellow jersey, were registered by native riders for foreign teams.

The Netherlands, another traditional power, had a bad Tour, too. WordPerfect was ransy in the race and the other Dutch entry, TVM, was paced by Robert Millar, a Scot, and Jesper Skibby, a Dane who marked the team's sole victory.

Germany, despite a stage victory by Olaf Ludwig, had nothing else to show for its high hopes in the Telekom team before the start three weeks ago.

In a roll call of the frustrated, however, France led the list. For the first time since World War II, the French failed to win at least two daily stages. Despite Moncassin's best efforts Sunday in the sprint, the host country registered just one victory and that by a French rider with Festina, a team based in Andorra. The French teams sponsored by Chazal, Gan and Castorama were invisible until the race reached Paris and the Novennial rider who won a stage and briefly wore the yellow jersey was Wilfried Nelissen, a Belgian.

No Frenchman finished in the top 10 and only two were in the top 20, Jean-Philippe Dujwa in 15th place and Richard Virenque in 19th. Like Pascal Lino, who won the stage for France, both ride for Festina.

This is also the longest stretch the French have gone — eight years now — without an overall victory. Their last champion was Hinault, who got the final of his five Tour victories in 1985. After him, the deluge.

Thus there was a bittersweet flavor to the ceremony Sunday when the Tour paused near noon, before the official start, to pay homage to its history. In the town of Montgeron, a plaque was unveiled at the Réveil Martin inn, noting that the race had visited the spot where it originated in 1903.

Since then France's Tour has never been stopped by anything less than world wars.

## Blowout Spoils Grand Prix in Germany for Hill

The Associated Press

HOCKENHEIM, Germany — Alain Prost won the German Grand Prix on Sunday after trailing his teammate Damon Hill for most of 43 laps until Hill blew a tire and was forced to a crawl.

It was the French driver's seventh Formula One victory this year for the Williams-Renault team and the 51st of his career.

Michael Schumacher of Germany, driving a Benetton-Ford, was second, 16.664 seconds behind Prost, and was followed by Mark Blundell of Britain in a Ligier-Renault. Ayrton Senna of Brazil was fourth for McLaren-Honda.

Prost completed the full 45 circuits of Hockenheim's 6.8-kilometer (4.2-mile) track in 1 hour, 18 minutes, 40.885 seconds, despite a

10-second penalty for a chicane violation in the first lap. His average speed was 134.235 miles per hour (216.25 kph).

But Prost wasn't happy with his penalty.

"I think it was a scandal because we talked about that chicane this morning in the drivers' briefing and I went straight just to avoid an accident with Martin Brundle," Prost said.

He said Brundle, who went into a spin, would have bumped him from the back. "So I decided to go straight and slow and I did not gain any advantage from this," Prost said.

It was a rough first lap for Prost in more than one way. Starting in the pole position, he stalled long enough for Hill and Schumacher to zip into the lead.

Hill clung to the lead and appeared sure of his first Grand Prix victory until his left back tire blew in the 43rd lap. He finished 15th.

Prost's victory was nearly a repeat of the British Grand Prix two weeks ago, when Hill's engine blew in the 42nd lap after he had led most of the way at Silverstone.

Hill showed his disappointment Sunday.

"It's a million times worse than Silverstone for me," Hill said. "I didn't deserve that."

"I had no warning at all and it is pretty difficult to win a race on three wheels."

Schumacher, the home favorite who was wildly cheered by nearly 150,000 fans, said "It has been a great weekend for me from Friday all the way through to today and the crowd has been tremendous for me too."

The German decided to switch to the backup car for the race after problems cropped up during a warm-up lap with his regular car. A team release later said there had been an electronic sensor defect in the active suspension.

The day began badly for another racer. Derek Warwick of Britain crashed his Footwork-Mugen-Honda car during a warm-up run in the rain in the morning. The car skidded into the wall and lost two wheels, flipped upside-down and stopped with Warwick pinned in it.

After several hours of rest he raced as scheduled, finishing in 17th place.

Prost's victory gave him 77 points in the world championship standings, and increased his lead over his nearest rival, Senna, to 27 points. Schumacher is third with 36 points.



Helen Alfredsson, hopping to a chip shot, missed but still led by two.

## Montgomerie Hangs On To Win Tournament He Almost Didn't Enter

Compiled by Our Staff From Dispatches

NOORDWIJK, Netherlands — After much waffling, Colin Montgomerie decided to enter the Dutch Open golf tournament just before it started last Thursday.

Sunday, he won it. Montgomerie's 3-under-par 69 final round put him at 281 for the 72 holes. He didn't miss a green, and only one fairway, despite gusts of up to 80 kilometers (50 miles) an hour on this seaside course.

"I wasn't even supposed to be here," he said, then added: "Fate has a lot to do with these things."

The \$162,495 first prize put Montgomerie in second position in the Ryder Cup earnings list behind Nick Faldo of England.

After completing the 18 holes with one eagle, two birdies and one bogey, Montgomerie still had to wait an agonizing hour before finding out that he had beaten third-round leader José Coceres of Argentina.

A short while before, a thunderstorm interrupted play for half an hour at his last green, but that didn't faze him.

"I didn't see the lightning, I was concentrating so hard," he said. Coceres was tied for second with

Jean van de Velde of France after a final round 74 put the Argentinian at 282 overall. Coceres bogeyed the fifth and could only hold par at the last two holes.

Van de Velde, the day's early pacesetter, was in the clubhouse at 6-under overall after shooting a day's best 68. He had five birdies and just one bogey, on the 16th, the most difficult hole.

Ian Woosnam of Wales appeared to be in contention until he too bogeyed the 16th, finishing at 283 to take fourth place.

It was a bad day for past champions.

U.S. Open titlist Lee Janzen managed only a 76 and was tied 19th place at 290.

And defending Dutch Open champion Bernhard Langer of Germany ended at 293, in 41st place.

Paul Azinger, having shot 7-under-par 64, took a one-shot lead over Bobby Clampett into Sunday's final round of the New England Golf Classic in Sutton, Massachusetts.

Clampett, second to Willie Wood by one stroke after two rounds, shot 67 Saturday. David Peoples, who shot 62 in tie the course record set by Nick Price in 1989, was tied with Wood and two others at three shots back. Wood, after a 65 in the second round, managed just 70 — and that with an eagle on the par-5 18th hole.

Helen Alfredsson of Sweden, off a 3-under-par 69, held a two-shot lead over Hiroshi Kobayashi of Japan heading into the final round of the U.S. Women's Open in Carmel, Indiana.

Alfredsson had a tournament-record three-day total of 9-under 207 over the 6,311-yard (5,770-meter) layout at Crooked Stick Golf Club, putting her on pace to break Pat Bradley's record of 9-under set in 1981 at La Grange Country Club in Illinois.

The previous best three-day mark was 8-under, established by Amy Alcott in 1980 and tied by Liselotte Neumann of Sweden in 1988.

Kobayashi, the 30-year-old Japanese who picked up her first tour victory the previous weekend, shot 71.

"I'm too nervous, I put too much pressure on myself and it's too hot," said Kobayashi.

Bradley, still seeking a second Open title 12 years after her record performance, shot the day's best round, 68, to move into a third-place tie with Donna Andrews, who shot 69.

At five-under 211 were first-round co-leader Ayako Okamoto of Japan, Nancy Lopez, the Hall of Famer who is seeking her first Open title, and tour rookie Dina Ammaccapane. (AP, UPI, Reuters)

## Spain, With Sánchez and Martínez, Quickly Wins Federation Cup Title

The Associated Press

FRANKFURT — Spain won its second Federation Cup title Sunday with straight-set singles victories over Australia by Arantxa Sánchez Vicario and Conchita Martínez.

The top-seeded Spanish team dominated the unseeded Australians, who were seeking their first title since 1974.

Martínez, ranked sixth in the world, beat Michelle Jaggard-Lai, 6-0, 6-2, in the first singles. Then Sánchez Vicario, No. 3 in the world, defeated Nicole Provis, 6-2, 6-3, to give Spain an unbeatable 2-0 lead in the best-of-three series.

The doubles match was only a matter of pride, and went to Sánchez Vicario and Martínez, who beat Elizabeth Smylie and Renae Stubbs, 3-6, 6-1, 6-3.

Smylie was also on the team in Australia's last previous final, in 1984, when she played doubles with Wendy Turnbull, the team's current non-playing captain, and lost to Czechoslovakia.

Spain won the title for the first time in 1991, against the United States, and lost to Germany in last year's final in Frankfurt.

Martínez broke Jaggard-Lai in the opening game, to set the tone for the match, and the Australian, ranked 91st in the world, dropped her serve again in the third game with a double-fault as Martínez cruised through the first set.

The second began like the first, with Martínez going a break up.

Jaggard-Lai held her serve for the first time in the third game of that set, but she was broken again in the seventh and Martínez wrapped up the match in 62 minutes and the rout was on.

The Australian, rated as outsiders on the red clay courts in Frankfurt, had had a dream run. They upset Germany, the No. 2 seed and the defending champion, in the opening round, with Provis beating Sieff Graf. In the quarterfinals, Australia beat the third-seeded team from former Czechoslovakia.

But against the clay-court specialists from Spain, the Australians failed to find the magic that had carried them through the early rounds.

Provis, No. 28 in the world, quickly fell victim to her own errors

and Sánchez Vicario's powerful game.

The Australian surrendered her serve in the third game at love, broke Provis at love and held again at love for a 5-3 lead as Provis failed to win a point in three straight games.

Serving to stay in the match, Provis hit a long volley that gave Sánchez Vicario her first match point.

Provis saved it with a stop volley. But she then hit a forehand to the corner that went wide, and another forehand into the net gave Sánchez Vicario the match and Spain the title in 61 minutes.

صكزامت الأهل



# MONDAY SPORTS SOCCER

## Bernès Steps Down As Marseille Manager

PARIS — Jean-Pierre Bernès, the Olympique Marseille team's general manager, has been accused of trying to fix a match, resigned Sunday to save the club from "destruction."

Bernès, who was released Thursday after two weeks in a prison's medical ward, after prosecutors decided not to press charges for the moment, said in his resignation letter to the team's owner, Bernard Tapie: "I have devoted all my energy and will to OM. Today I stand unjustly accused of treachery."

"I am innocent," Bernès said. "OM cannot, as long as my innocence is not recognized, remain hostage to those who, through me, seek above all the destruction of our club."

The resignation came the morning after Bernès was given a hero's welcome by the team's fans at its season opener in Marseille.

However, Jorge Burruchaga repeated his accusation Sunday that Bernès had called before a league match on May 20 and asked him and two other Valenciennes players to go easy on Marseille — which was to play in the Champions' Cup final six days later — and said that three days later he had spoken to Tapie about the alleged bribe.

Bernès, who was conditionally released from custody on Thursday, had said Friday that, during a confrontation in the investigating judge's chambers on Wednesday, some of the Valenciennes players were sure they had actually spoken to him.

"Of course I spoke to Bernès on the telephone," Burruchaga said in an interview with the newspaper Journal du Dimanche.

To make sure it was really him, I said:

"You're ringing me now, but in 1988 you didn't think me for giving you the telephone number of Diego Maradona's manager."

In 1988, Olympique Marseille tried to sign Maradona. Burruchaga's teammate on the Argentine team that won the World Cup in 1986, Maradona was then playing for Napoli in Italy.

"We were the only ones to know about that," Burruchaga said. "He even asked me if I was still annoyed about it. That's definite proof that it was him."

Burruchaga added: "He asked me to take my foot off the gas, to let OM win. He also made it clear that if we didn't do what he wanted, Tapie would be furious with him. We discussed the subject and at the end of the conversation I said, 'Well, yes.' But, I remember that all three of us agreed: Christophe Robert, Jacques Glassmann and me."

Burruchaga said that he and Robert had telephoned Tapie on May 23, after Glassmann revealed the alleged bribe attempt.

"We talked and talked," Burruchaga said, and "I told him I would tell the rest everything. He just said that everyone would turn against us. At least he was right about that."

"All three of us agreed, Christophe, Glassmann and me, not to say anything," Burruchaga added. "Glassmann has dropped me in it, but he has forgotten that I have not seen any more money than he has."

"He likes to present himself as Mister Clean, but in his deposition he confirmed that he'd also agreed not to say anything."

Glassmann, who has not been formally put under investigation, was left off the Valenciennes team that played Nice on Saturday.



Jean-Pierre Bernès responding to cheers at Marseille's opener, Sunday he resigned, he said, to prevent "the destruction of our club."

"Given the threats we received, it was best he did not play yesterday," Valenciennes' president, Michel Crocas, said Sunday.

Glassmann said that "giving in to blackmail is not a good thing."

"If the decision was made to protect the other players, agree: if it was uniquely to protect me, I don't."

Olympique Marseille kicked off the new French season in an unpropitious mood as it best visiting Lens, 1-0, on Saturday.

Bernès ran a lap of honor and blew kisses to the crowd of 34,000 cheering fans. They also cheered Tapie, and held up a huge banner proclaiming: "Fiers d'être marseillais" or "Proud to be Marseillais."

About 100 journalists, including reporters from Germany, Italy, Denmark, Sweden and the United States, packed the press area.

But Tapie, a brash, self-made millionaire and former urban affairs minister under the Socialists, branded the state-owned France-2 and France-3 television channels for covering the match, though private French stations were allowed entry, stadium officials said.

One France-3 journalist received a head injury when he was attacked by Marseille fans after he and other members of his crew were pushed away from the stadium entrance by guards.

Fans angry at news coverage of the case attacked the crew, striking the journalist in the back of the head and damaging a camera before six police arrived at the gate.

Friday after an incident the day before in which one of its film crews said the Marseille owner threw its camera into the Mediterranean while the crew was trying to film him and Bernès aboard Tapie's yacht.

There was violence in Bordeaux as well, where Paris-St. Germain, expected to give Marseille a battle for this season's title, lost its opener by the score of 1-0 and some of its supporters charged a France-3 crew and smashed its camera.

The police said Sunday they had detained 35 people, and that two faced criminal charges.

Police said that, armed with iron bars, the Parisians molested passers-by, wrecked bars and restaurants and attacked and destroyed the camera of the France-3 crew.

Paris-St. Germain stopped organizing trips for its fans last month after serious incidents in Marseille, where several people were injured inside and outside the stadium where the club was playing a key league match against Olympique.

## SIDELINES

### LeMond Faces Surgery

PARIS (AFP) — Greg LeMond will have an operation after breaking a bone in his right wrist, his team manager said Sunday.

LeMond, 32, a three-time winner of the Tour de France, who was forced to miss this year's race because of a debilitating virus, fell while training near his home in Minzac, according to Roger Legay, the head of LeMond's GAN team. The injury will mean the American will miss the World Championships this year, but Legay confirmed that he would be back next season.

"It's a big blow for him, because he was coming back well," Legay said. "Tests on the virus showed his immune system had been affected by an allergy to pollen. He had recovered after rest and was back in training."

### Swim Record Broken

SYDNEY (AP) — Kieran Parkins of Australia set his second short-course world swimming record in five days on Sunday, smashing the mark for the 800-meter freestyle at the Sydney Grand Prix meet.

Parkins swam 800 meters in 7 minutes, 34.99 seconds, four seconds faster than the 1985 time of the West German champion Michael Groß. Parkins broke the 1,500-meter short-course mark on Wednesday in Canberra.

### Mark on the Record

Zambia, rebounding after the loss of most of its soccer team to a plane crash in April, held Zimbabwe to a 1-1 draw on Sunday in Harare to reach next year's African Nations Cup finals in Tunisia.

Yoo Myung Woo of South Korea successfully defended his World Boxing Association junior flyweight title on Sunday in Seoul with a unanimous points decision over Yuichi Hosono of Japan.

## SCOREBOARD

Major League Standings			
AMERICAN LEAGUE			
Division	W	L	Pct.
<b>East Division</b>			
Baltimore	54	42	.562
New York	53	44	.545
Toronto	48	49	.495
Chicago	47	50	.486
Seattle	44	53	.452
Minnesota	41	56	.424
Los Angeles	37	60	.383
Oakland	36	61	.371
<b>West Division</b>			
California	52	44	.541
Kansas City	49	46	.516
Texas	49	46	.516
Seattle	46	49	.484
San Diego	44	52	.458
Minnesota	41	54	.432
Oakland	40	54	.426
<b>NATIONAL LEAGUE</b>			
Division	W	L	Pct.
<b>East Division</b>			
Philadelphia	51	47	.519
St. Louis	47	51	.481
Atlanta	47	51	.481
Chicago	46	52	.469
Pittsburgh	45	53	.458
Florida	41	58	.413
New York	38	61	.382
<b>West Division</b>			
San Francisco	57	47	.549
Los Angeles	52	44	.541
San Diego	49	47	.509
Colorado	48	48	.500
Cincinnati	41	55	.428
San Diego	38	61	.382

## AMERICAN LEAGUE

Team	W	L	Pct.
Baltimore	54	42	.562
New York	53	44	.545
Toronto	48	49	.495
Chicago	47	50	.486
Seattle	44	53	.452
Minnesota	41	56	.424
Los Angeles	37	60	.383
Oakland	36	61	.371

## NATIONAL LEAGUE

Team	W	L	Pct.
Philadelphia	51	47	.519
St. Louis	47	51	.481
Atlanta	47	51	.481
Chicago	46	52	.469
Pittsburgh	45	53	.458
Florida	41	58	.413
New York	38	61	.382

## INTERNATIONAL

Team	W	L	Pct.
USA	15	10	.600
Canada	12	13	.480
France	11	14	.441
Germany	10	15	.400
Italy	9	16	.360
Spain	8	17	.320
Sweden	7	18	.280
Denmark	6	19	.240
Poland	5	20	.200
Czech Republic	4	21	.160
Slovakia	3	22	.120
Yugoslavia	2	23	.080
Croatia	1	24	.040

## WORLD CUP

Team	W	L	Pct.
USA	15	10	.600
Canada	12	13	.480
France	11	14	.441
Germany	10	15	.400
Italy	9	16	.360
Spain	8	17	.320
Sweden	7	18	.280
Denmark	6	19	.240
Poland	5	20	.200
Czech Republic	4	21	.160
Slovakia	3	22	.120
Yugoslavia	2	23	.080
Croatia	1	24	.040

## CYCLING

Team	W	L	Pct.
USA	15	10	.600
Canada	12	13	.480
France	11	14	.441
Germany	10	15	.400
Italy	9	16	.360
Spain	8	17	.320
Sweden	7	18	.280
Denmark	6	19	.240
Poland	5	20	.200
Czech Republic	4	21	.160
Slovakia	3	22	.120
Yugoslavia	2	23	.080
Croatia	1	24	.040

## Friday's Line Scores

Team	W	L	Pct.
Baltimore	54	42	.562
New York	53	44	.545
Toronto	48	49	.495
Chicago	47	50	.486
Seattle	44	53	.452
Minnesota	41	56	.424
Los Angeles	37	60	.383
Oakland	36	61	.371

## Saturday's Line Scores

Team	W	L	Pct.
Philadelphia	51	47	.519
St. Louis	47	51	.481
Atlanta	47	51	.481
Chicago	46	52	.469
Pittsburgh	45	53	.458
Florida	41	58	.413
New York	38	61	.382

## Japanese Leagues

Team	W	L	Pct.
Yokohama	37	37	.500
Yokohama	36	38	.487
Yokohama	35	39	.474
Hiroshima	33	41	.447
Hiroshima	32	42	.435
Hiroshima	31	43	.422

## Canadian League

Team	W	L	Pct.
Hamilton	3	0	1.000
Hamilton	2	1	.667
Hamilton	1	2	.333
Hamilton	0	3	.000

## WORLD CUP

Team	W	L	Pct.
USA	15	10	.600
Canada	12	13	.480
France	11	14	.441
Germany	10	15	.400
Italy	9	16	.360
Spain	8	17	.320
Sweden	7	18	.280
Denmark	6	19	.240
Poland	5	20	.200
Czech Republic	4	21	.160
Slovakia	3	22	.120
Yugoslavia	2	23	.080
Croatia	1	24	.040

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Croatia	1	24	.040

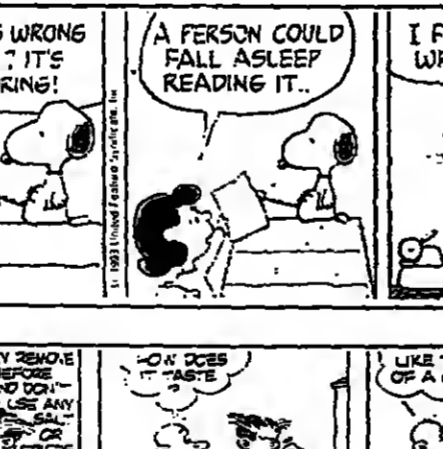
## DENNIS THE MENACE



## PEANUTS



## WIZARD OF ID



## REX MORGAN



## GARFIELD



## DOORBURY



## JUMBLE

UNSCRAMBLE these four jumbles. Write the letters in the correct order in the boxes below. Use the clues to help you.

HEMRY

DUTIA

HUBLES

POMLEY

Print answer here: \_\_\_\_\_

## BEETLE BAILEY

HOLD IT! A SERGEANT IS NOT SUPPOSED TO HIT A PRIVATE!

ACTUALLY, MORE AS A BIG BROTHER AND LITTLE BROTHER

MOM!

## DOORBURY

WHEE! WHEE! OUT THERE AT THE END OF THE RAINBOW!

I ORDERED HIM OUT OF THE HOSPITAL. THEY WANTED TO DO SOME MORE TESTS, BUT THE NURSE SAID HE WAS GETTING OUT OF CONTROL.

I'VE SINCE LEARNED ON MY OWN. I'M NOT AS STUPID AS I USED TO BE. I'M NOT GETTING OUT OF CONTROL.

NEVER BET ON TROUBLE. IT'S ALWAYS THERE WHEN YOU NEED IT.

## WIZARD OF ID

I WANT TO PUT MY LIFE SAVINGS IN YOUR BANK.

HOW MUCH DO YOU HAVE?

TWELVE DOLLARS AND EIGHTY CENTS.

YOU LOOK OLDER THAN THAT.

## REX MORGAN

WHEN KEITH TAKES GRACE WITH HIM TO HUNT FOR AN ANTIQUARIAN, GRACE PROVES TO BE A GOULF!

THAT WAS PRESERVE, GRACE? WHERE DID YOU BARGAIN THE LIKE THAT?

MY FATHER TAUGHT ME. I SHALL WE SAID—AN INTERNATIONAL CONVENTION OF BARGAINERS.

I CAN'T BELIEVE YOU LOWERED THE PRICE BY \$200! THE OWNERS WILL HIT THE ROOF!

I DON'T KNOW WHAT CAME OVER ME—THAT WOMAN IS TRYING TO GET CONTROL OF THE DEAL!

## GARFIELD

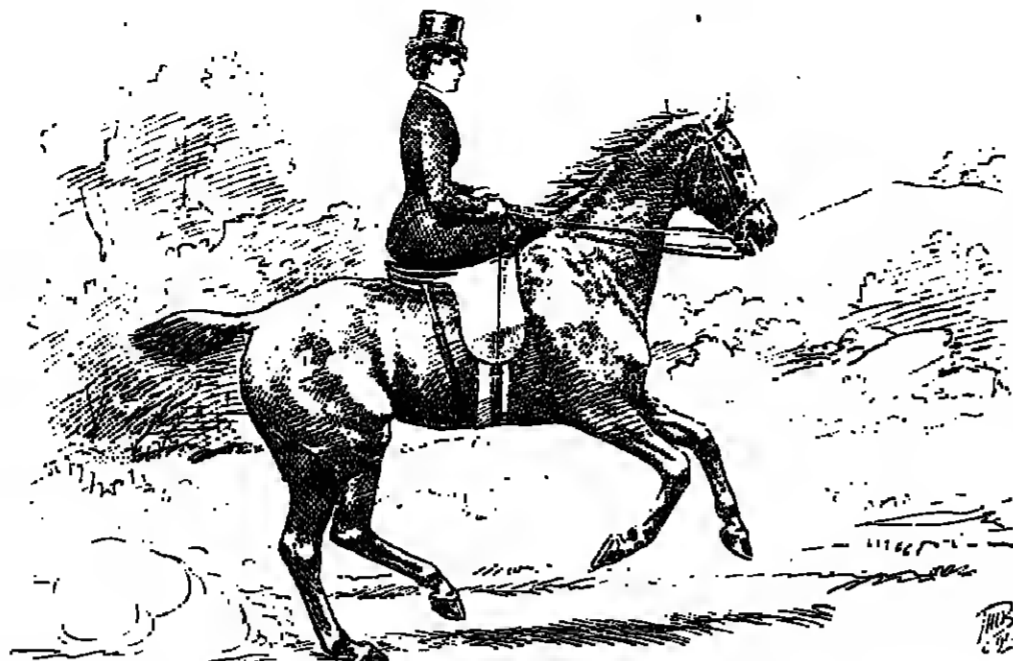
PARN SEEMS I'VE MISCALCULATED ON THE GUNGEE BOP!



# The Sidesaddle Makes a Prim Comeback

**K**INETON, WARWICKSHIRE — Perhaps it is a response to stately film and TV dramas: a yen for the winsome femininity of bygone days. Whatever the reason, saddlers are learning to deal with such obsessions as the leaping head and ailes being ransacked for skirted riding habits. The sidesaddle is making a comeback not only in Britain but in France, where it is called *la monte à l'amazoncine*, and in Texas, where amazons used a western saddle with three pomells instead of the two (the leaping head is the lower one) that keep the rider's legs lopsided but daintily in place.

Betty Skelton, who gives lessons in Hampshire and has



"The Canter," from a drawing in Alice M. Hayes's "The Horsewoman," published in 1893.

**MARY BLUME**  
also taught in the Netherlands, Sweden, Germany, and the United States, started riding sidesaddle at the age of 15. "I am now 84. In my day any family connected with hunting disapproved very much of their womenfolk riding cross-saddle." Her father was the fourth generation master of the Ashford Valley hounds in Kent. "I hunted three or four days a week, without a stirrup for the first year."

Annie Swaby began riding sidesaddle with the Warwickshire hunt only a few years ago, and her daughter, Jo, is at 16 a rising competitor in sidesaddle events. "I'd seen a couple of people riding sidesaddle and it looked so elegant. I suppose that's what it was," Annie Swaby says. Another benefit is that men are so much better mannered when hunting with ladies on sidesaddle. "They'll open gates, let you go first. So it's worth it for that," she says.

The Swabys train at Roger Philpot's school in Kineton, famous horse country where the noseband was invented. Philpot, a rugged man with tanned forearms, is a builder by trade, runs the school as a hobby, and is chairman of the Side Saddle Association, which two ladies founded in 1974. He learned sidesaddle when he exercised the horse of the redoubtable late master of the Warwickshire hunt, Miss Boulbee-Brooks.

Seconded by Pete Roberts, already a champion rider when she took up sidesaddle, Philpot hires out old saddles (modern ones, he says, tend to be ill-made), sells ready-made habits, and gives lessons. A well-schooled horse can adapt pretty quickly, he says, and a good rider can easily learn to fit both legs on the near or left side.

"If someone is fairly efficient they can normally walk, trot, and canter in an hour," he says. He pooch-pooches the notion that it is more dangerous than riding astride though. Pete Roberts says she wouldn't put a sidesaddle on a horse with a tendency to rear and admits it is harder to get off if the horse falls.

Harder than the riding was working out an appropriate dress code. "It took us years to learn the turnout," Roberts says. "A lot of people who remembered were too old and mystical and we did the most terrible clangers."

There is no chance of clangers now. For morning, association rules require a bowler hat with a tweed or discreetly checked jacket, waistcoat, collar and tie, and blunt spur fixed neatly to the rider's long boot. "Not too long and not droopy," Roberts says.

The skirt, or apron as it is called, must have a hem that parallels the ground and be one hand's width above the left boot's seam. The right toe should never, never be seen.

From 12 noon a top hat taller than a dressage hat and shorter than a man's is a must and the habit is dark blue or black, worn with a cream hunting stock. "They're very fussy about the way it's tied," Roberts says.

The rider carries a stick not to exceed a meter in length. She never wears jewelry and must have her hair in a bun, real or false. The bun must be the size of a small doughnut and should touch the underside of the hat. A veil is always worn.

"You can't blow your nose or eat ice cream, and you soon find out which drinks come with a straw," Roberts says.

The rules are much stricter than when sidesaddle was the custom. Alice M. Hayes, a crack horsewoman who once rode a zebra sidesaddle in Calcutta, came out against the veil in 1893 and was also lax on the subject of gloves. Today's rules say that gloves must be black or brown leather, or chamois after noon. "Never black because that means mourning and if you're in mourning you shouldn't be riding," Philpot says.

"Also, you must always talk to the rider offside and not nearside. It is ungentlemanly to talk on the near side because in twisting to talk the rider puts her left leg at risk."

Properly attired, the rider can compete in the usual horse show events, although show jumping is tricky because most saddles were made for riders who leaned backwards over jumps. Special sidesaddle events are, not surprisingly, based mostly on the rider's straightness of back and suppleness, and leading criteria, and the *concours d'élegance* which Betty Skelton will probably judge at the year's most important event, the National Side Saddle show at Malvern the weekend of Aug. 6.

"The *concours d'élegance* is a picture, a moving picture," she says. "You can't be wearing your great uncle's funeral hat falling over your ears. And your bun must be in the right place."

The only requisite to all this rigor is the occasional fancy dress event. A Texas lady dazzled in a long white Mexican

dress hut Philpot has especially fond memories of a dressage rider dressed as the doll Coppelia. "It was gorgeous," she was really nice.

Women began to ride astride after World War I although according to Philpot they wore culottes at first so you couldn't really tell. In France the sidesaddle never really died out thanks to stag hunting, says Olivier Fontana, president of the French Side Saddle Association. Although there aren't many amazons today, their numbers are growing: Corsica has tripled in the last year, from one amazon to three.

Patricia Bedu, who took up the sidesaddle when asked to ride as a stand-in in a film, says the French habit is more elegant and less austere than the English: "What we, or at least I, go for is the romantic side."

"Women like to dress up and men appreciate it," Olivier Fontana says. "The motto of the amazon is 'je maintiens' — I uphold tradition, the turnout, elegance, le *fair play*."

In Britain, Roger Philpot fears that the sidesaddle will die out as the sport becomes more competitive and prize money increases. At the moment, of his association's 1,200 members only about 15 compete regularly. "Right now the Side Saddle Association is a very friendly association, if you forget your stirrup someone will lend you one. But if you go on the show jumping circuit it's entirely different because of the money involved."

Still, he looks forward to international competitions and perhaps to a sidesaddle event in the Olympics. In the meantime, although one can imagine how glamorous an amazon would look in a perfume or luxury car ad, sponsors are rare.

"A big company selling horse wormer used to advertise, nothing more glamorous," Philpot says. At the moment the supremely elegant ladies, straight-spined and collected, have two main sponsors, a manufacturer of ready-made habits and a company that treats dry rot.

# Name-Calling and Health Plans

By Robin Toner

**N**EW YORK — We political reporters saw it coming, the true magnitude of the health-care crisis, the way it could tongue-tie even skilled professionals like ourselves who are accustomed to turning complex issues into simple buzzwords.

It was clear as early as November 1991, when a puzzled Hal Bruno of ABC News was forced to ask the candidates in the middle of a televised debate: "Explain the Enthoven plan." Hearts sank, news disappeared in a great unstopable wave of health policy, as the candidates rattled on about the *Hawaiian approach*, the virtues of *broad-based community rating, managed care and managed competition* (a.k.a. the *Enthoven plan*, named after Alain Enthoven, of Stanford University, who specializes in the economics of health care), the *Canadian and the German systems*.

We were sure a health-care plan known as the *German system* was unlikely to be a big vote-getter. (The *Hawaiian approach* sounded infinitely better, particularly in New Hampshire.) But we never dreamed we would be forced to confront the dreaded Enthoven plan two years later and try to turn it into digestible news bites.

Nowadays, the health-care issue can no longer be avoided. Reform is on the move in Washington, and President Clinton's political advisers have spent much of the last few months trying to figure out how to talk about it. The works in the Clinton administration have pushed it in the direction of one of the more complicated theories of health-care reform: *managed competition*. But the administration's pragmatic folks are trying to turn this into a populist crusade. Just we farmers and workers and family folks standing shoulder to shoulder with Al Enthoven and the rest of the health-care economists.

One of the first things the Clintonites did was drop the term *managed competition* — a distinct turn-off in focus groups. That left them with the task of describing the central structure of managed competition: the huge regional purchasing cooperatives that pool the bargaining power of individuals and small businesses to negotiate for the optimum health plans. Until recently,

these entries were known as *HIPCs* (or *Hipics*) — for health insurance purchasing cooperatives — but many Democratic strategists, including James Carville, felt that expression sounded like another exercise in Big Government. As a result, *Hipic* gave way to *the Health Alliance*.

Personally, I think this change was a mistake. *Hipic* had a pleasant, down-home feel to it, like a chain of discount stores. "I'm gonna run on down to the Hipic, honey, and pick up some forms. You need anything?"

The Health Alliance, on the other hand, has a vaguely Orwellian tone. As in, "Good Morning, Mr. Jones, we're from the Alliance and we'd like to talk to you about how your therapy is going." Doctors are already warning darkly about the dangers of *managed care under second-guessing, cost-conscious insurance companies*, let alone *Health Alliances*.

In West Virginia this spring, Hillary Rodham Clinton, chairwoman of the health-care reform task force, took a stab at explaining the *Hipic* idea without giving it a name. "You'll be part of great big pools to buy insurance," she said, "and you'll get all the breaks and all the discounts the big guys are entitled to." Other times, however, she seems to be following the advice given to Willie Stark in "All the King's Men": "Just let 'em go, gonna soak the fat boys and forget the rest of the tax stuff."

In fact, she has a wide array of potential fat boys from which to choose: insurance companies, drug manufacturers, hospitals, doctors, a variety of other health-care providers, all of whom are now scrambling in Washington to declare themselves the true friends of reform and the enemies of a flawed *health-care delivery system*.

Once the debate gets going on Capitol Hill, politicians will have to explain not only *managed competition*, but also all the rival philosophies of health-care reform. Chief among them is the *single-payer system*, which is also an unfortunate title. It refers to the fact that there is just one payer — the government — for health care.

Still, *single payer* is part of the language in health politics, as in, "He's a single-payer guy" or, "The single-payer people like this bill."

**INTERNATIONAL CLASSIFIED**  
Appears on Page 4

## WEATHER

Forecast for Tuesday through Thursday, as provided by Accu-Weather.

Region	Today		Tomorrow	
	High	Low	High	Low
<b>Europe</b>				
Algeria	22.00	16.00	22.00	16.00
Amsterdam	18.00	10.00	18.00	10.00
London	18.00	10.00	18.00	10.00
Paris	18.00	10.00	18.00	10.00
Rome	22.00	16.00	22.00	16.00
Stockholm	18.00	10.00	18.00	10.00
Warsaw	18.00	10.00	18.00	10.00
<b>Asia</b>				
Bangkok	32.00	24.00	32.00	24.00
Hong Kong	32.00	24.00	32.00	24.00
Manila	32.00	24.00	32.00	24.00
Seoul	32.00	24.00	32.00	24.00
Taipei	32.00	24.00	32.00	24.00
<b>Africa</b>				
Algeria	22.00	16.00	22.00	16.00
Cairo	22.00	16.00	22.00	16.00
Johannesburg	22.00	16.00	22.00	16.00
London	18.00	10.00	18.00	10.00
Paris	18.00	10.00	18.00	10.00
Rome	22.00	16.00	22.00	16.00
Stockholm	18.00	10.00	18.00	10.00
Warsaw	18.00	10.00	18.00	10.00
<b>Latin America</b>				
Buenos Aires	18.00	10.00	18.00	10.00
Cairo	22.00	16.00	22.00	16.00
London	18.00	10.00	18.00	10.00
Paris	18.00	10.00	18.00	10.00
Rome	22.00	16.00	22.00	16.00
Stockholm	18.00	10.00	18.00	10.00
Warsaw	18.00	10.00	18.00	10.00
<b>Oceania</b>				
London	18.00	10.00	18.00	10.00
Paris	18.00	10.00	18.00	10.00
Rome	22.00	16.00	22.00	16.00
Stockholm	18.00	10.00	18.00	10.00
Warsaw	18.00	10.00	18.00	10.00

## CROSSWORD

**ACROSS**

- Mr. Ziegfeld
- Summit
- Driving instructor's command
- Oyster's home
- Mora bashful
- High nest
- Summertime holiday
- Nobel chemist
- Beachcomber
- majestic

**DOWN**

- Humorist
- Burrows
- Yield
- Units of energy
- Hang fire
- Frozen desert
- Legal matter
- Eddy or riddle
- An arrow poison
- Hall of M.C.C.C.I.I.
- House plant
- Uncomfortable summer period
- A Perón
- Genus of fish
- Actor in "The Crying Game"
- Drilling equipment
- Lawn filter
- Padlock
- Has-been

**Solution to Puzzle of July 23**

A	M	A	S	S	G	A	P	B	A	B	E
E	G	A	T	O	I	L	I	A			
P	O	O	R	E	R	A	T	T	L	E	R
E	C	O	S	T	T	O	L	E			
S	O	P	W	I	T	H					
C	A	T	I	O	N	A	B	L	E		
A	G	I	N	S	I	N	E				
P	A	C	E	R							
P	R	A	C	E	R						
E	R	S	A	C	T						
L	O	Y	L	E	N	E	S	T	R	I	A
H	O	U	R	L	O	N	G				
A	L	M	A	S	E	A					
P	I	L	A	V	E	D					

If you're going to travel all over the map, here's how to call from almost any point on it.

**AT&T Access Numbers**

ANDORRA	150-8011	LEBANON (BEIRUT)	426-901
ARMENIA	80-14111	LIBERIA	797-797
AUSTRIA	822-803-811	LIECHTENSTEIN	105-90-11
BAHRAIN	800-001	LITHUANIA	80-196
BELGIUM	878-11-8810	LUXEMBOURG	8-508-8111
CAPE VERDE ISLANDS	112	MALAWI	101-102
CHINA**	88-38-8811	MALTA	880-880-118
CYPRUS	883-80010	MEXICO	190-8111
CZECH REPUBLIC	88-423-8010	MOROCCO	88-022-8111
DENMARK	8801-8810	NETHERLANDS	88-022-8111
EGYPT (CAIRO)	510-8280	NETHERLANDS (Special USADirect Telephone Locations)	
FRENCH ISLANDS	8001-0010	POLAND**	88-12011
FINLAND	8888-109-10	POLAND**	88-12011
FRANCE	19-0-8811	PORTUGAL	88-174-288
GERMANY	880-001	ROMANIA	81-888-4288
GRECE	88111	RUSSIA (MOSCOW)	195-8842
HONG KONG	8128-8818	SAN MARINO	172-101
INDIA	8181	SAUDI ARABIA	1-800-500
INDONESIA**	8800	SLOVAKIA	88-423-8811
IRELAND	88-888-1811	SLOVENIA	88-99-8811
ISRAEL	880-888-8111	SWEDEN	888-788-811
ITALY	888-001	SWITZERLAND	155-8811
JAPAN	1-888-678-900	TURKEY	908-8881-2277
KOREA	177-488-2277	U.A.E. EMIRATES	800-1-0010
NETHERLANDS	172-1011	UK	888-88-8811
NEW ZEALAND	88-111-11	ZAMBIA	88-8811
PHILIPPINES	888-10	ZIMBABWE	118-888
RUSSIA	800-288		

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